2019
January-September Results and Full-Year Forecast

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Chief Financial Officer
Shiseido Company, Limited

November 7, 2019
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.
Key Headlines:

Q3: Resilient performance despite external challenges

Q3 YTD*¹: Record-high Sales, Operating profit and Net profit
2019 Q3 : Executive Summary

Stable performance with continuing strong fundamentals
11th consecutive quarter of sales growth*1
Operating Profit +13.3%, Operating Margin 12.2%, +1.1 pts
Net Profit growth +22.5%

Net Sales: ¥282.0 Bn  YoY change: +3.2% FX-Neutral: +6.6% Like-for-Like*2: +8.6%

- Prestige brands: main driver of global growth with successful launches (+11%*2)
- China: prestige sell-out remains strong (over +40%*3)
- Travel Retail: fastest-growing segment
- Japan: steady; EMEA: strong growth
- Improved supply
- Impacts from market*4 uncertainties (Hong Kong, S. Korea)

Operating Profit: ¥34.3 Bn  YoY change: +13.3%, +¥4.0 Bn; OPM: 12.2%, +1.1 pts

- Improving profitability from brand mix, strategic marketing investments
  and cost control

Net Profit Attributable to Owners of Parent:
¥20.0 Bn  YoY change: +¥3.7 Bn, +22.5%

*1. After we changed financial period from end of March to end of December in 2015
*2. Like-for-Like, excluding the impacts of business withdrawals (the amenity goods business in 2018 and dermatologic agent brands FERZEA and Encron in 2019) in Japan
  and a one-off factor related to the implementation of new ERP in Americas 2019
Focus on Prestige First, Skincare First Yielding Results

- Global prestige brands achieving double-digit growth

  - **SHISEIDO**
    - Growth driver: ULTIMUNE eye serum, relaunch and new products within foundation
    - Advancing with global expansion: **Aiming for sales of ¥200 Bn**

  - **Clé de Peau Beauté**: Accelerated momentum to over +20%
    - Growth driver: Skincare line renewal
    - Expanding global reach

  - **IPSA**
    - Japan: robust sales
    - Travel Retail Asia: increased penetration
Japan Q3: Solid with Successful Launches, Pre-Tax-Hike Demand and Improved Supply

- **Market:**
  - Significant growth in September

- **Shiseido sell-out:** +10%
  - Local: pre-tax-hike demand
  - Inbound sales: +5%
    - Tourists: +10%
    - Buyers: -10%

- **Shiseido sell-in:** +10%*1
  - Growth drivers:
    - Renewal of *Clé de Peau Beauté* skincare line, *SHISEIDO* eye serum and foundation
    - Launch of *ELIXIR* Advanced Aging Care
    - *HAKU, PRIOR*
  - Challenges:
    - *ANESSA/SENKA*: lower buyers/unfavorable weather
  - Improvements: *REVITAL* supply issues

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*1. Like-for-Like, excluding the impacts of business withdrawals (the amenity goods business in 2018 and dermatologic agent brands *FERZEA* and *Encron* in 2019) in Japan*
China Q3: Our Prestige Brands Maintain Momentum

- Market: fundamentals remain solid
  - E-commerce: temporarily slowed down, anticipating W11
  - Hong Kong: less traffic, overall sales decreased
  - Cross-border e-commerce expanding

- Shiseido sell-out (mainland China)
  - Prestige: continuing at over +40%
    - SHISEIDO, Clé de Peau Beauté, NARS
  - Cosmetics, personal care
    - ELIXIR, ANESSA: steady
    - AUPRES/SENKA: challenging
  - E-commerce sales: over 20% growth

- Shiseido sell-in:
  - Mainland China: +22%

  Sell-in by category:

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Care</td>
<td></td>
<td>+5%</td>
</tr>
<tr>
<td>Cosmetics</td>
<td></td>
<td>+13%</td>
</tr>
<tr>
<td>Prestige</td>
<td></td>
<td>+20%</td>
</tr>
</tbody>
</table>

2018 2019
Travel Retail Q3: Strong Growth

- **Shiseido sell-out**: over +20%, Asia growth picked up to over +30%
  - Prestige, cosmetics: key drivers
    - *SHISEIDO/Clé de Peau Beauté*: accelerated with successful launches
    - ANESSA
    - NARS
  - Top-performing countries:
    - S. Korea: maintained strong momentum with over +40%
    - China: growth driver achieving over +40%, roll-out in Beijing Daxing airport in Oct.
  - Challenges: sluggish fragrance market

- **Shiseido sell-in**: +19%, with Asia growing at over +25%

- Improved supply

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Istanbul Airport

Beijing Airport

Beijing Daxing Airport
(Counter opening date: Oct. 27th)
Asia Pacific Q3: Steady Growth in South East Asia

● Shiseido sell-out:
  ➢ Winning in markets*1:
    * Clé de Peau Beauté: new skincare line
    * LAURA MERCIER: re-launch in Australia and Taiwan
  ➢ S. Korea: challenging market, sales declined

● Shiseido sell-in: -2% (excl. S. Korea +6%)
  ➢ Varied by county/region
    * South East Asia: strong
  ➢ Clé de Peau Beauté, SHISEIDO and Dolce&Gabbana: benefitting from launches
    * ELIXIR: consistent growth in Taiwan

*1. Country/Region
EMEA Q3: Continued Strong Momentum, Steadily Improving Profitability

- Markets: up in Italy & Spain
down in UK & France

- Shiseido sell-out: upward tendency
  - Fragrance:
    - K by Dolce & Gabbana
    - PURE MUSC, narciso rodriguez
  - Makeup:
    - NARS
    - SHISEIDO

- Shiseido sell-in: +7%
  - Clé de Peau Beauté:
    UK launch in October
Americas Q3: Addressing Profitability in a Challenging Market

- US Market: down in makeup, up in skincare & fragrance; channel shifts to digital

- Shiseido sell-out: -2%*1
  - Challenge: makeup
    - bareMinerals: continued restructuring with planned boutique closures
  - Positive
    - K by Dolce&Gabbana
    - SHISEIDO new launch

- Shiseido sell-in: -14%
  - Excl. one-off impact of ERP implementation: -3%
    - Shift of sales from Q3 to Q2

*1 NPD data

[Graph showing US market growth rate by category in 2019]
Drunk Elephant: The First 100 Days

- Deal closed on Nov. 7th

- Post-merger integration
  - Local-led, with full support from HQ
  - Contribution to Americas profitability
    - Integrating operations & logistics, finance and IT
    - Enhancing relationship with Sephora
  - Kick-off of global expansion
Q3 YTD 2019: Executive Summary

Like-for-Like Net Sales growth +7.7%, Operating Profit +1.9% Operating Margin 12.2% Net Profit growth +13.2%

Net Sales: ¥846.6 Bn YoY change: +5.1% FX-Neutral: +7.2% Like-for-Like*1: +7.7%

➢ Prestige brands: main driver of global growth with successful launches (+11%) especially strong in China*2 (over +40%*3) and TR (over +25%*3)
➢ EMEA: solid growth across all major brands
➢ Behind full-year forecast, mainly Japan-led

Operating Profit: ¥103.3 Bn YoY change: +1.9%, +¥1.9 Bn; OPM: 12.2%, -0.4 pts

➢ Continued targeted investments (Marketing, R&D and People)
➢ Japan, Travel Retail: solid growth
➢ EMEA: on track with OP turnaround plan

Net Profit Attributable to Owners of Parent:

¥72.5 Bn YoY change: +¥8.5 Bn, +13.2%

*1. Like-for-Like, excluding the impacts of business withdrawals (the amenity goods business in 2018 and dermatologic agent brands FERZEA and Encron in 2019) in Japan
*2. Mainland China
*3. Sell-out
Like-for-Like Q3 YTD Net Sales Growth

Impact of business withdrawals*1
-3.9

FX
-17.2

Sales
+61.9

+7.7% growth

(Billion yen)

2018
805.8

2019
846.6

801.9

*1. Withdrawals from the amenity goods business in 2018 and dermatologic agent brands FERZEA and Encron in 2019 in Japan
**Growth Driven by Prestige and Cosmetics Brands**

### Q3 YTD Net Sales by Brand

(Billion yen)

YoY change % (excl. impact of foreign exchange)

- **SHISEIDO**: +19%
- **Clé de Peau Beauté**: +12%
- **NARS**: +15%
- **IPSA**: +13%
- **LAURA MERCIER**: +14%
- **Dolce & Gabbana**: +7%
- **ELIXIR**: +19%
- **ANESSA**: +9%
- **Others**
  - bareMinerals
  - AUPRES
  - SENKA
  - REVITAL

**Impact of business withdrawals**

- **SHISEIDO**: -3.9 billion yen

**YoY change % (excl. impact of foreign exchange)**

**2018**

- **SHISEIDO**: 805.8 billion yen
- **Clé de Peau Beauté**: 812.9 billion yen

**2019**

- **SHISEIDO**: 846.6 billion yen
- **Clé de Peau Beauté**: 853.7 billion yen

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*YoY change (%) for each brand is calculated based on initial exchange rate assumptions.

Targeted Investments to Accelerate Growth

Q3 YTD Operating Profit Increase/Decrease Breakdown

(Billion yen)

- Gross profit +32.7
- Marketing investments -9.8
- Brand development/R&D investments -3.4
- Personnel expenses (excl. POS personnel) -1.7
- Other SG&A -16.0

2018: 101.4
2019: 103.3
Q4: Aggressive Marketing Initiatives

- **Brand strengthening in China**
  
  Title sponsorship:
  2019 Shiseido WTA*¹ Finals Shenzhen

- **Boosting sell-out**
  
  - W11 in China
    - *SHISEIDO, Clé de Peau Beauté*
    - Exclusive products in TMALL
  
  - Travel Retail
    - *Clé de Peau Beauté*: Exclusives
    - *NARS*: new doors, renovations and upgrades
  
  - Tie-in promotion with Disney in Japan

*¹ Women’s Tennis Association
2019 Full-Year Forecast

● External challenges
  - FX
  - US-China trade friction, market uncertainties
  - Sales decrease in challenging markets*¹ (Hong Kong and S. Korea)
  - Unfavorable weather
  - Inbound buyers slowdown
  - Channel shift and sluggish makeup market in Americas

● Full-year forecast revision

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>Latest</th>
<th>Previous (Aug.)</th>
<th>Variance</th>
<th>YoY Change%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>1,134~1,139</td>
<td>1,164</td>
<td>-25~-30</td>
<td>+7% *²</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>113~120</td>
<td>120</td>
<td>0~-7</td>
<td>+4~11%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>78.5~83</td>
<td>83</td>
<td>0~-4.5</td>
<td>+28~35%</td>
</tr>
<tr>
<td>Dividends</td>
<td>60</td>
<td>60</td>
<td>-</td>
<td>+33.3%</td>
</tr>
<tr>
<td>Dividends (yen per share) *³</td>
<td>60</td>
<td>60</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

*¹ Country/region
*² Like-for-Like FX neutral excluding the impacts of business withdrawals (the amenity goods business in 2018 and dermatologic agent brands FERZEA and Encron in 2019) in Japan and the impacts of applying U.S. GAAP (ASC606) in Americas
*³ Dividends: interim dividend ¥30, year-end dividend ¥30 (forecast)
Breakdown of Sales Forecast Revision

2019 Full-Year Sales Forecast

(Billion yen)

External factors

- FX -2 to -4
- Hong Kong -5 to -6
- S. Korea -3
- Weather/buyers -8 to -10
- US channel shift/sluggish makeup market -3
- TR*1 fragrance/others -4
- US channel shift/sluggish makeup market -3
- TR*1 fragrance/others -4

Previous
(Aug.)

1,164

Latest

1,134

1,139

Like-for-like*2
+7% growth

*1. Travel Retail
*2. Like-for-Like FX neutral excluding the impacts of business withdrawals (the amenity goods business in 2018 and dermatologic agent brands FERZEA and Encron in 2019) in Japan and the impacts of applying U.S. GAAP (ASC606) in Americas
Committed to Achieving Long-Term Growth Targets

Market uncertainties

“VISION 2020” and beyond: Sustainable growth momentum

- Agility to achieve 2019 targets
  - Close monitoring of markets
  - Rapid PDCA cycle with weekly reviews
  - Developing counter-measures

- Selection and concentration
  - Structural reform
  - SKU rationalization

- Long-term investments
  - People first
  - Brand enhancement/M&A
  - Innovation
  - Supply chain
  - Global IT platform
## Supplemental Data 1
### Summary of Q3 YTD 2019 Results

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>% of Net Sales</th>
<th>2018</th>
<th>% of Net Sales</th>
<th>YoY Change</th>
<th>YoY Change %</th>
<th>FX-Neutral %</th>
<th>Like-for-Like FX-Neutral % *3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>846.6</td>
<td>100%</td>
<td>805.8</td>
<td>100%</td>
<td>+40.9</td>
<td>+5.1%</td>
<td>+7.2%</td>
<td>+7.7%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>178.2</td>
<td>21.1%</td>
<td>170.1</td>
<td>21.1%</td>
<td>+8.1</td>
<td>+4.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>668.4</td>
<td>78.9%</td>
<td>635.7</td>
<td>78.9%</td>
<td>+32.7</td>
<td>+5.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>565.1</td>
<td>66.7%</td>
<td>534.3</td>
<td>66.3%</td>
<td>+30.8</td>
<td>+5.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Profit</td>
<td>103.3</td>
<td>12.2%</td>
<td>101.4</td>
<td>12.6%</td>
<td>+1.9</td>
<td>+1.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>100.7</td>
<td>11.9%</td>
<td>102.7</td>
<td>12.7%</td>
<td>-1.9</td>
<td>-1.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extraordinary Income/Loss (net)</td>
<td>-0.2</td>
<td>-0.0%</td>
<td>-1.3</td>
<td>-0.1%</td>
<td>+1.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit Attributable to Owners of Parent</td>
<td>72.5</td>
<td>8.6%</td>
<td>64.0</td>
<td>7.9%</td>
<td>+8.5</td>
<td>+13.2%</td>
<td></td>
<td></td>
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<tr>
<td>EBITDA*2</td>
<td>144.8</td>
<td>17.1%</td>
<td>135.1</td>
<td>16.8%</td>
<td>+9.7</td>
<td>+7.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Exchange rates: USD1 = JPY109.2 (-0.4%), EUR1 = JPY122.7 (-6.3%), CNY1 = JPY15.9 (-5.7%)

*1. The “+” and “-” symbols in YoY change indicate increase and decrease in amount, respectively.

*2. After adjustment: Net income (loss) before income taxes + Interest expense + Depreciation and amortization expense + Impairment loss on goodwill and other intangible assets

*3. Like-for-Like, excluding the impacts of business withdrawals (the amenity goods business in 2018 and dermatologic agent brands FERZEA and Encron in 2019) in Japan
Supplemental Data 2
Like-for-Like Sales Grew +7.7%, Mainly Driven by China, Travel Retail and EMEA

Q3 YTD Sales by reportable segment

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>% of Net Sales</th>
<th>2018</th>
<th>% of Net Sales</th>
<th>YoY Change</th>
<th>YoY Change %</th>
<th>YoY Change FX-Neutral %</th>
<th>Like-for-Like FX-Neutral %^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>350.7</td>
<td>41.4%</td>
<td>340.1</td>
<td>42.2%</td>
<td>+10.5</td>
<td>+3.1%</td>
<td>+3.1%</td>
<td>+4.3%</td>
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<tr>
<td>China</td>
<td>158.5</td>
<td>18.7%</td>
<td>140.5</td>
<td>17.5%</td>
<td>+18.0</td>
<td>+12.8%</td>
<td>+18.3%</td>
<td>+18.3%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>53.7</td>
<td>6.3%</td>
<td>51.9</td>
<td>6.4%</td>
<td>+1.8</td>
<td>+3.4%</td>
<td>+7.1%</td>
<td>+7.1%</td>
</tr>
<tr>
<td>Americas</td>
<td>93.5</td>
<td>11.1%</td>
<td>94.6</td>
<td>11.7%</td>
<td>-1.1</td>
<td>-1.1%</td>
<td>-0.1%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>EMEA</td>
<td>76.2</td>
<td>9.0%</td>
<td>75.1</td>
<td>9.3%</td>
<td>+1.1</td>
<td>+1.5%</td>
<td>+8.3%</td>
<td>+8.3%</td>
</tr>
<tr>
<td>Travel Retail</td>
<td>78.0</td>
<td>9.2%</td>
<td>67.3</td>
<td>8.3%</td>
<td>+10.8</td>
<td>+16.0%</td>
<td>+17.9%</td>
<td>+17.9%</td>
</tr>
<tr>
<td>Professional</td>
<td>11.0</td>
<td>1.3%</td>
<td>10.5</td>
<td>1.3%</td>
<td>+0.5</td>
<td>+4.4%</td>
<td>+6.7%</td>
<td>+6.7%</td>
</tr>
<tr>
<td>Other</td>
<td>25.2</td>
<td>3.0%</td>
<td>25.8</td>
<td>3.3%</td>
<td>-0.7</td>
<td>-2.6%</td>
<td>-2.6%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Total</td>
<td>846.6</td>
<td>100%</td>
<td>805.8</td>
<td>100%</td>
<td>+40.9</td>
<td>+5.1%</td>
<td>+7.2%</td>
<td>+7.7%</td>
</tr>
</tbody>
</table>

^1. See Supplemental Data 9 for details about changes in reportable segments. The previous year’s results are restated to reflect the new reportable segments.
^2. Like-for-Like, excluding the impacts of business withdrawals (the amenity goods business in 2018 and dermatologic agent brands FERZEA and Encron in 2019) in Japan.
Some financial results within the Japan Business have been reclassed in line with the management structure change in 2019. See Supplemental Data 9 for details about changes in reportable segments. The previous year’s results are restated to reflect the new reportable segments.

### Supplemental Data 3

**Japan Sales Grew +4.3% Like-for-Like**

**Q3 YTD Sales in Japan by Category**

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>% of Net Sales</th>
<th>2018</th>
<th>% of Net Sales</th>
<th>YoY Change</th>
<th>YoY Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prestige/ Specialty Store</td>
<td>119.1</td>
<td>34.0%</td>
<td>113.7</td>
<td>33.4%</td>
<td>+5.5</td>
<td>+4.8%</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>160.5</td>
<td>45.8%</td>
<td>154.2</td>
<td>45.3%</td>
<td>+6.3</td>
<td>+4.1%</td>
</tr>
<tr>
<td>Personal Care</td>
<td>43.1</td>
<td>12.3%</td>
<td>43.5</td>
<td>12.8%</td>
<td>-0.4</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Others</td>
<td>27.9</td>
<td>7.9%</td>
<td>28.7</td>
<td>8.5%</td>
<td>-0.9</td>
<td>-3.0%</td>
</tr>
<tr>
<td><strong>Japan Sales</strong></td>
<td>350.7</td>
<td>100%</td>
<td>340.1</td>
<td>100%</td>
<td>+10.5</td>
<td>+3.1%</td>
</tr>
</tbody>
</table>

YoY change excluding the impacts of business withdrawals in Japan (the amenity goods business in 2018 and dermatologic agent brands *FERZEA* and *Encron* in 2019) was +4.3%

*Some financial results within the Japan Business have been reclassed in line with the management structure change in 2019.

See Supplemental Data 9 for details about changes in reportable segments. The previous year’s results are restated to reflect the new reportable segments.*
**Supplemental Data 4**  
Operating Profit +1.9% with Bold Investments (Marketing, R&D and People)

Q3 YTD Operating profit by reportable segment

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>2019</th>
<th>2018</th>
<th>YoY Change</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OPM %</td>
<td>OPM %</td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Japan</td>
<td>76.0 19.9%</td>
<td>71.6 19.7%</td>
<td>+4.4</td>
<td>+6.2%</td>
</tr>
<tr>
<td>China</td>
<td>23.9 15.0%</td>
<td>23.5 16.7%</td>
<td>+0.5</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>5.5 9.9%</td>
<td>7.1 13.4%</td>
<td>-1.7</td>
<td>-23.3%</td>
</tr>
<tr>
<td>Americas</td>
<td>-11.3 -9.1%</td>
<td>-9.6 -7.9%</td>
<td>-1.7</td>
<td>-</td>
</tr>
<tr>
<td>Before Amortization of Goodwill, etc.</td>
<td>-7.4 -6.0%</td>
<td>-5.7 -4.6%</td>
<td>-1.7</td>
<td>-</td>
</tr>
<tr>
<td>EMEA</td>
<td>-3.4 -4.1%</td>
<td>-4.8 -5.7%</td>
<td>+1.3</td>
<td>-</td>
</tr>
<tr>
<td>Before Amortization of Goodwill, etc.</td>
<td>-2.2 -2.6%</td>
<td>-3.4 -4.1%</td>
<td>+1.2</td>
<td>-</td>
</tr>
<tr>
<td>Travel Retail</td>
<td>17.7 22.7%</td>
<td>15.0 22.2%</td>
<td>+2.7</td>
<td>+18.3%</td>
</tr>
<tr>
<td>Professional</td>
<td>0.4 3.8%</td>
<td>0.4 3.6%</td>
<td>+0.0</td>
<td>+8.1%</td>
</tr>
<tr>
<td>Other</td>
<td>-2.7 -2.3%</td>
<td>1.3 1.3%</td>
<td>-4.1</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td>106.1 10.5%</td>
<td>104.5 11.0%</td>
<td>+1.6</td>
<td>+1.5%</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-2.8</td>
<td>-3.1</td>
<td>+0.3</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>103.3 12.2%</td>
<td>101.4 12.6%</td>
<td>+1.9</td>
<td>+1.9%</td>
</tr>
</tbody>
</table>

* OPM is calculated using net sales including intersegment sales.  
See Supplemental Data 9 for details about changes in reportable segments. The previous year’s results are restated to reflect the new reportable segments.
## Supplemental Data 5
### Q3 YTD SG&A Details

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>2019</th>
<th>YoY Change</th>
<th>YoY Change</th>
<th>YoY Change FX-Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Net Sales</td>
<td>Change in % of Net Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>565.1</td>
<td>66.7%</td>
<td>+0.4</td>
<td>+5.8%</td>
</tr>
<tr>
<td><strong>Marketing Investments*1</strong></td>
<td>294.9</td>
<td>34.8%</td>
<td>-0.6</td>
<td>+3.4%</td>
</tr>
<tr>
<td><strong>Brand Development/R&amp;D Investments</strong></td>
<td>45.1</td>
<td>5.3%</td>
<td>+0.1</td>
<td>+8.1%</td>
</tr>
<tr>
<td><strong>Personnel Expenses</strong></td>
<td>96.1</td>
<td>11.4%</td>
<td>-0.3</td>
<td>+1.8%</td>
</tr>
<tr>
<td><strong>Other SG&amp;A Expenses</strong></td>
<td>129.0</td>
<td>15.2%</td>
<td>+1.2</td>
<td>+14.1%</td>
</tr>
</tbody>
</table>

* The “+” and “-” symbols in YoY Change are used to indicate increase and decrease in amount and percentage of net sales, respectively.

*1: Marketing Investments includes POS personnel expenses.
# Supplemental Data 6
## Summary of Q3 Results

<table>
<thead>
<tr>
<th></th>
<th>2019 (Billion yen)</th>
<th>2018 (Billion yen)</th>
<th>YoY Change</th>
<th>YoY Change %</th>
<th>YoY Change FX-Neutral %</th>
<th>Like-for-Like FX-Neutral %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>282.0</td>
<td>273.2</td>
<td>+8.8</td>
<td>+3.2%</td>
<td>+6.6%</td>
<td>+8.6%</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>62.6</td>
<td>61.0</td>
<td>+1.6</td>
<td>+2.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>219.3</td>
<td>212.1</td>
<td>+7.2</td>
<td>+3.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>185.0</td>
<td>181.8</td>
<td>+3.2</td>
<td>+1.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>34.3</td>
<td>30.3</td>
<td>+4.0</td>
<td>+13.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary Profit</strong></td>
<td>32.8</td>
<td>29.9</td>
<td>+2.9</td>
<td>+9.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Extraordinary Income/Loss (net)</strong></td>
<td>1.0</td>
<td>-2.9</td>
<td>+3.9</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Profit Attributable to Owners of Parent</strong></td>
<td>20.0</td>
<td>16.3</td>
<td>+3.7</td>
<td>+22.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>44.0</td>
<td>38.5</td>
<td>+5.5</td>
<td>+14.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The “+” and “−” symbols in YoY change indicate increase and decrease in amount, respectively.

1. Like-for-Like, excluding the impacts of business withdrawals (the amenity goods business in 2018 and dermatologic agent brands FERZEA and Encron in 2019) in Japan and a one-off factor related to the implementation of new ERP in Americas 2019.

2. After adjustment: Net income (loss) before income taxes + Interest expense + Depreciation and amortization expense + Impairment loss on goodwill and other intangible assets.
Supplemental Data 7
Resilient Performance with Continuing Strong Fundamentals

Q3 Sales by reportable segment

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>2019</th>
<th>% of Net Sales</th>
<th>2018</th>
<th>% of Net Sales</th>
<th>YoY Change</th>
<th>YoY Change %</th>
<th>YoY Change FX-Neutral %</th>
<th>Like-for-like FX-Neutral %*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>118.8</td>
<td>42.1%</td>
<td>109.4</td>
<td>40.0%</td>
<td>+9.4</td>
<td>+8.6%</td>
<td>+8.6%</td>
<td>+10.1%</td>
</tr>
<tr>
<td>China</td>
<td>50.8</td>
<td>18.0%</td>
<td>47.6</td>
<td>17.4%</td>
<td>+3.2</td>
<td>+6.7%</td>
<td>+13.8%</td>
<td>+13.8%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>17.4</td>
<td>6.2%</td>
<td>18.5</td>
<td>6.8%</td>
<td>-1.1</td>
<td>-6.1%</td>
<td>-1.8%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Americas</td>
<td>29.4</td>
<td>10.4%</td>
<td>35.7</td>
<td>13.1%</td>
<td>-6.3</td>
<td>-17.7%</td>
<td>-14.1%</td>
<td>-2.9%</td>
</tr>
<tr>
<td>EMEA</td>
<td>28.0</td>
<td>9.9%</td>
<td>28.2</td>
<td>10.3%</td>
<td>-0.3</td>
<td>-0.9%</td>
<td>+7.3%</td>
<td>+7.3%</td>
</tr>
<tr>
<td>Travel Retail</td>
<td>25.0</td>
<td>8.9%</td>
<td>22.0</td>
<td>8.1%</td>
<td>+3.0</td>
<td>+13.4%</td>
<td>+19.1%</td>
<td>+19.1%</td>
</tr>
<tr>
<td>Professional</td>
<td>3.7</td>
<td>1.3%</td>
<td>3.2</td>
<td>1.2%</td>
<td>+0.5</td>
<td>+15.6%</td>
<td>+18.7%</td>
<td>+18.7%</td>
</tr>
<tr>
<td>Other</td>
<td>8.9</td>
<td>3.2%</td>
<td>8.4</td>
<td>3.1%</td>
<td>+0.5</td>
<td>+5.4%</td>
<td>+5.4%</td>
<td>+5.4%</td>
</tr>
<tr>
<td>Total</td>
<td>282.0</td>
<td>100%</td>
<td>273.2</td>
<td>100%</td>
<td>+8.8</td>
<td>+3.2%</td>
<td>+6.6%</td>
<td>+8.6%</td>
</tr>
</tbody>
</table>

* See Supplemental Data 9 for details about changes in reportable segments. The previous year’s results are restated to reflect the new reportable segments.
*1. Like-for-Like, excluding the impacts of business withdrawals (the amenity goods business in 2018 and dermatologic agent brands FERZEA and Encron in 2019) in Japan and a one-off factor related to the implementation of new ERP in Americas 2019.
## Supplemental Data 8
### Continued Double-Digit OPM

#### Q3 Operating profit by reportable segment

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>2019 OPM %</th>
<th>2018 OPM %</th>
<th>YoY Change</th>
<th>YoY Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>27.7 21.3%</td>
<td>20.1 17.2%</td>
<td>+7.6</td>
<td>+37.9%</td>
</tr>
<tr>
<td>China</td>
<td>5.9 11.6%</td>
<td>7.8 16.4%</td>
<td>-1.9</td>
<td>-24.4%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>2.3 12.9%</td>
<td>2.7 14.0%</td>
<td>-0.4</td>
<td>-13.6%</td>
</tr>
<tr>
<td>Americas</td>
<td>-6.0 -16.7%</td>
<td>-2.4 -5.2%</td>
<td>-3.6</td>
<td>-</td>
</tr>
<tr>
<td>Before Amortization of Goodwill, etc.</td>
<td>-4.8 -13.1%</td>
<td>-1.1 -2.3%</td>
<td>-3.7</td>
<td>-</td>
</tr>
<tr>
<td>EMEA</td>
<td>1.6 5.0%</td>
<td>0.3 0.8%</td>
<td>+1.3</td>
<td>+513.6%</td>
</tr>
<tr>
<td>Before Amortization of Goodwill, etc.</td>
<td>2.0 6.3%</td>
<td>0.7 2.2%</td>
<td>+1.3</td>
<td>+182.2%</td>
</tr>
<tr>
<td>Travel Retail</td>
<td>5.8 23.1%</td>
<td>3.9 17.7%</td>
<td>+1.9</td>
<td>+48.2%</td>
</tr>
<tr>
<td>Professional</td>
<td>0.2 5.2%</td>
<td>0.1 2.3%</td>
<td>+0.1</td>
<td>+153.6%</td>
</tr>
<tr>
<td>Other</td>
<td>-2.2 -5.5%</td>
<td>-1.5 -4.2%</td>
<td>-0.7</td>
<td>+48.9%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>35.2 10.5%</td>
<td>30.9 9.6%</td>
<td>+4.3</td>
<td>+13.8%</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-0.9 -</td>
<td>-0.6 -</td>
<td>-0.2</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>34.3 12.2%</td>
<td>30.3 11.1%</td>
<td>+4.0</td>
<td>+13.3%</td>
</tr>
</tbody>
</table>

---

* OPM is calculated using net sales including intersegment sales.
* Supplemental Data 9 for details about changes in reportable segments. The previous year’s results are restated to reflect the new reportable segments.
* The Group has revised its reportable segment classification method in line with changes in its internal management structure from the first quarter of FY2019.
Shiseido Beauty Salon Co., Ltd., which was previously included in the Professional Business, is now included in Other. Shiseido Astech Co., Ltd. and Hanatsubaki Factory Co., Ltd., which were previously included in the Japan Business, are now included in Other.
From the third quarter of the previous consolidated fiscal year, the results of IPSA Co., Ltd., which were previously included in the Japan Business, are now included in Other.
Supplemental Data 10-1
Major Public Announcements

News Releases

November: Notice of Completion of Acquisition of Drunk Elephant Holdings, LLC

October: Shiseido Selected as Finalist for 8th Corporate Value Improvement Award by Tokyo Stock Exchange *

Clé de Peau Beauté Announces Multi-Year Global Partnership With UNICEF *

Notice of Acquisition of Drunk Elephant Holdings, LLC

- Acquiring an innovative prestige skincare brand DRUNK ELEPHANT™ -

September: Reappointment of President and CEO

August: Shiseido and Tory Burch Announce Long-Term Beauty Partnership Agreement

- Exclusive Worldwide License for Beauty Products-

- Underscores Strength of Shiseido’s Platform and Resources to Support Further Growth of Tory Burch Beauty Brand -

July: Shiseido President and CEO Masahiko Uotani Becomes Chair of “30% Club Japan” Contributing to the Improvement of the Percentage of Female Executives *

Shiseido Launches Full-Scale IoT Skincare Service Brand “Optune”

May: Shiseido Strengthens Strategic Partnership with A.S. Watson Group

Shiseido Opens SHISEIDO FOREST VALLEY at Jewel Changi Airport

“Shiseido Life Quality Beauty Center” Opens in Singapore *

Shiseido Establishes Japanese Beauty Institute Communicating Unique Japanese Aesthetics to the World
Supplemental Data 10-2
Major Public Announcements

News Releases

April: Shiseido and KANEKA Launch Joint Development of Biodegradable Cosmetic Containers *

Shiseido Supports Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) *

External Director Ms. Ishikura at “2019 Daiwa Investment Conference Tokyo” *

Corporate Governance Report Revised *

The Shiseido Philosophy Is Formulated Anew *

Shiseido Global Innovation Center Commences Full-Scale Operation -Realizing a New Style of Research and Development Towards Further Growth-

Shiseido Signs Joint Business Plan with Alibaba Group

March: Clé de Peau Beauté Announces the Launch of ‘THE POWER OF RADIANCE’ Program *

Creating a new market through the integration of foundation and medicated skincare

February: Notice on Introduction of Performance-Linked Stock Compensation as Long-Term Incentive-Type Remuneration (“LTI”) *

Shiseido Establishes a New Factory in Kurume City, Fukuoka Prefecture -Responding to Growing Demand and Further Business Expansion Inside and Outside Japan-

Notice of Transfer of Dermatologic Agent Brands FERZEA and Encron

January: Notice of Merger between Consolidated Subsidiaries