Now I would like to explain our results for the third quarter and the first nine months (January to September) and full-year forecast for 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.
Here are the highlights of the third quarter as well as the first nine months of 2019.

Firstly, overall Shiseido recorded resilient results in the third quarter despite external challenges with increasing uncertainties.

Secondly, we recorded our highest-ever sales, operating profit and net profit in the first nine months of 2019.
Let me start by explaining the key points of the executive summary. During the third quarter, our fundamentals stayed strong, and our profit continued to grow steadily. This was our 11th consecutive quarter of sales growth, with operating profit growing by +13.3%, and operating margin at 12.2%, up 1.1 points.

Net sales amounted to 282.0 billion yen, representing an +8.6% increase like for like, excluding the impacts of business withdrawals in Japan and a one-off factor related to the implementation of a new ERP system in the Americas in 2019.

Prestige brands maintained their robust momentum as the main driver of our global growth, with sales growing by +11%, underpinned by the success of key product launches and relaunches.

Despite a high growth rate overall, performance was mixed across regions. China sustained strong momentum, particularly in prestige brands where sell-out grew over +40% on the mainland; Travel Retail was the fastest growing segment this quarter; and Japan and EMEA saw ongoing solid performance. Improved supply contributed to overall growth. On the other hand, we were adversely affected by conditions in Hong Kong and Korea.
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 withdrawal (the amenity goods business in 2018
  and dermatologic agent brands FERZEA and Encron in 2019) in Japan
*3. Mainland China
*4. Country/region

- Operating profit stood at 34.3 billion yen, growing by +13.3%,
  and the operating margin reached 12.2%, up 1.1 points versus
  last year. This is primarily due to increasing sales along with
  improvements in brand mix and our marketing productivity.
  Additionally, being conscious of the volatile and uncertain
  business environment, we have been proactively taking cost
  control measures, in both A&P and other SG&A.

- Net profit attributable to owners of parent was 20.0 billion
  yen, up +22.5%, mainly due to higher operating profit as well
  as extraordinary losses on business withdrawal recorded in
  the third quarter of 2018.
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

- Here, I would like to emphasize the key contributors to our strong results, namely, our “Prestige First, Skincare First” focus.

- Our three global prestige brands - SHISEIDO, Clé de Peau Beauté and IPSA - recorded double-digit growth in the third quarter, thanks in particular to successful launches of SHISEIDO ULTIMUNE eye serum and a new foundation, as well as a new skincare line from Clé de Peau Beauté. IPSA achieved robust sales in Japan and performed well in Travel Retail Asia with increased penetration. Currently, Clé de Peau Beauté has improved its momentum to over +20% from +6% in the first half, and SHISEIDO is aiming to be the first 200-billion-yen brand in the near future. We still see great growth potential for these brands given their market penetration.

- We view our portfolio of prestige brands, mainly skincare, as a key component of our profitability and the source of our competitiveness. Even in a challenging business context, we will maintain our focus on these brands.
Now let’s move on to results by region. Our Japan Business achieved +10% growth on both a sell-in and a sell-out basis. This strong performance was largely supported by successful new launches, pre-tax-hike demand and improved supply.

Concerning the 2019 tax increase, the last-minute rush across the overall market was lower than expected, which was also the case for Shiseido. However, we believe that this smaller-than-expected surge in the third quarter will be balanced out by a smaller plunge in the fourth.

As for the +10% growth in sell-out, though it is difficult to identify precise impacts from each factor, we assume roughly half is coming from the pre-tax-hike demand, with the rest from organic growth and the cycling effect from a weak 2018.

Inbound sales were nearly flat at +5%. When viewed separately, tourists increased by only +10%, slowed down partly by unfavorable FX trends, while buyers declined by 10%.

Here are some of the top contributors to our growth this quarter: SHISEIDO ULTIMUNE Power Infusing Concentrate and Synchro Skin Self-Refreshing Foundation. In addition, a new skincare line from Clé de Peau Beauté performed strongly as well. These recorded robust sales to inbound consumers as well as in the local Japanese market, which was boosted by strong momentum in department stores.

Most prestige and cosmetic brands showed good results across the board, whereas sales of ANESSA and SENKA decreased from the previous year, facing challenges from unfavorable weather and fewer buyers.

I would also like to highlight our progress in strengthening manufacturing capabilities, which considerably improved supply, especially for REVITAL.
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: +14%
  - Mainland China: +22%

- Sell-in by category

- The Chinese cosmetic market continued its strong underlying trend, while facing challenges in Hong Kong.

- In mainland China, our prestige brands—SHISEIDO, Clé de Peau Beauté, and NARS—continued their growth at over +40%. Despite the third quarter in China being a relatively quiet period of the year for cosmetics, our prestige brands were able to achieve high growth rates by leveraging promotion events, such as “Clé de Peau Beauté Super Brand Day.”

- In the cosmetics and personal care categories, made-in-Japan brands ELIXIR and ANESSA kept strong momentum. On the other hand, AUPRES and SENKA faced challenges from severe competition.

- Our e-commerce recorded growth of over 20%, in line with the overall market as consumers anticipate W11.

- A positive note is that our cross-border e-commerce in Hong Kong gained momentum, growing at over 80% in this period. Hong Kong’s E-Commerce sales volume is relatively small at the moment, but we are addressing this by leveraging our expertise.

- Sell-in figures on the right show that the China Business in total, including Hong Kong, grew at +14%. The key contributor, mainland China, continued strong performance at +22% year on year.
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
  - Improved supply

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

Travel Retail Business has been increasing its presence, and its strong sales growth continued. Overall sell-out growth was over +20%, while Asia, which accounts for the major part of this segment, picked up by over +30%, driven by prestige and cosmetic brands. **SHISEIDO** and **Clé de Peau Beauté** accelerated with new launches. The successful opening of our first **Clé de Peau Beauté** counters in Dubai and Istanbul new Airport is worth mentioning as well.

- We strategically reinforced our presence in South Korea and China where we enjoyed our highest growth of over +40%.

- Beijing Daxing International Airport, also known as Beijing new Airport, opened on Sep 19th. We see this new mega-airport hub as a key strategic location for our Travel Retail Business and we have already opened 10 counters of our prestige and cosmetics core brands, aiming for further sales expansion.

- In terms of challenges, the fragrance market remained sluggish.
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

Next, let me turn to Asia Pacific. This segment showed steady results despite a challenging market.

- In a contrasting environment, growth patterns differed by country and region. South East Asia kept its strong momentum, whereas South Korea remained challenging. As a result, total sell-in in Asia Pacific decreased by 2% year on year. Excluding S. Korea, sales grew +6%.

- By brand, Clé de Peau Beauté with its new skincare line achieved good results. SHISEIDO and Dolce&Gabbana are benefitting once again from the success of launches. LAURA MERCIER showed strong performance with its re-launch in Australia and Taiwan, and in addition, ELIXIR also posted 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

- Moving on to EMEA, this region continued strong momentum with market trends varied by country. Italy and Spain were up, and the UK and France down.
- Sell-out-wise, the upward tendency continued. In fragrances, the highlight of the period was the encouraging start of K by Dolce & Gabbana, coupled with a strong contribution from PURE MUSC by narciso rodriguez. In makeup, NARS and SHISEIDO performed well.
- This good performance saw EMEA achieve +7% in sell-in growth overperforming the market along with a similarly strong sell-out. Given the nature and maturity of the European market, we see this segment’s consistent solid results as a confirmation of our strong brand equity. We also launched a new counter of Clé de Peau Beauté in Harrods, London in October.
- EMEA’s profitability has been improving steadily supported by solid sales growth.
**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%**
  - 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

Next is our Americas Business, which came in negative in both sell-out and sell-in due to the difficult market context, especially in makeup. At the same time, sales channel shifts from brick-and-mortar to digital have been rapidly advancing. We have been putting our utmost effort into addressing profitability in this challenging market and will continue with necessary steps going forward.

With the increasingly difficult market situation, our makeup brands’ sales declined on par with competitors.

Our restructuring of bareMinerals is proceeding, with boutique closures on track with our plan. In addition, we have examined unprofitable counters in other channels and closed several of them. On the other hand, in Ulta, strong new products such as BOUNCE & BLUR Blush have been performing well.

We saw solid performance from Dolce&Gabbana and SHISEIDO. New launches of Benefiance and Synchro Skin by SHISEIDO, as well as Dolce&Gabbana’s “K” and “The Only One 2” delivered promising initial results.

The third quarter sell-in sales growth was negative 14%, but this includes a one-off impact of ERP implementation which caused advanced shipments in June, with sales shifting from July to June. Excluding this, America’s third quarter sell-in was negative 3%.
Let me briefly provide an update on our acquisition of Drunk Elephant which we announced on October 8th. We have just completed the acquisition process today, November 7th, and now we are moving on to the next step, post-merger integration, or PMI.

Our global M&A team in the United States has led this acquisition, and PMI will be done by a US-based team of experienced professionals with full support from HQ.

To realize timely profit contribution to the Americas Business, we are starting to work on the integration of the Drunk Elephant business infrastructure: operations and logistics, finance and IT, while enhancing our relationship with Sephora.

Also, we have kicked off communication concerning commercial terms, R&D and other topics in view of global expansion plans.
## Q3 YTD 2019: Executive Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Fiscal Year</th>
<th>YoY Change</th>
<th>FX-Neutral</th>
<th>Like-for-Like*1</th>
<th>Operating Margin</th>
<th>Net Profit Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>¥846.6 Bn</td>
<td>+3.1%</td>
<td>+7.2%</td>
<td>+7.7%</td>
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<td>Prestige brands</td>
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<td>Success in global growth</td>
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<td>Chinese market growth</td>
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<td>TR growth</td>
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<td>EMEA growth</td>
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<td>Japan</td>
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<td>Travel Retail</td>
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<tr>
<td><strong>Operating Profit</strong></td>
<td>¥103.3 Bn</td>
<td>+1.9%</td>
<td>+¥1.9 Bn</td>
<td>12.2%</td>
<td>-0.4 pts</td>
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<td>Continued targeted investments</td>
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<tr>
<td>Japan and Travel Retail</td>
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<tr>
<td>EMEA</td>
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<tr>
<td><strong>Net Profit Attributable to Owners of Parent</strong></td>
<td>¥72.5 Bn</td>
<td>+¥8.5 Bn</td>
<td>+13.2%</td>
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</table>

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

- Turning to the first nine months, our net sales amounted to 846.6 billion, representing like-for-like growth of +7.7%.
- Overall results were primarily driven by China and Travel Retail which delivered sell-out growth of over +40% and +25% respectively, while the solid performance in EMEA is also worth noting.
- However, the nine months’ cumulative sales were behind our full-year forecast mainly due to the Japan region and sluggishness in some markets.
- While we continued with our targeted investment plans for sustainable growth, operating profit grew by +1.9% to 103.3 billion, resulting in 12.2% of operating margin.
- Japan and Travel Retail showed solid growth.
- Additional good news is that EMEA has been meeting our expectations and is on track with its OP turnaround plan.
- Net profit attributable to owners of parent increased by 8.5 billion to 72.5 billion yen, up +13.2%.
Like-for-Like Q3 YTD Net Sales Growth

- 846.6 (Billion yen)
- Sales +61.9
- +7.7% growth

Impact of business withdrawals*¹

- 805.8
- 801.9
- FX -17.2
- 846.6

2018 2019

*¹ Withdrawals from the amenity goods business in 2018 and dermatologic agent brands, FERZEA and Encron in 2019 in Japan.

- This graph shows our like-for-like sales growth for the first nine months.
- Business withdrawals reduced sales by 3.9 billion yen, and the overall FX impact was negative 17.2 billion, mainly affected by the strength of the JPY against the EURO and RMB.
- Like-for-like net sales, excluding these impacts, increased by 61.9 billion yen, equivalent to 7.7% growth.
Let me move on prestige and skincare is steadily paying off and fueling rapid growth in our core brands, propelled by focused marketing investment. In cosmetics, made-in-Japan brands, ANESSA and ELIXIR, showed solid performance.

At the same time, some other brands such as bareMinerals and AUPRES continue to face challenges.
This slide illustrates the breakdown of our operating profit structure. Due to the increase in sales, our gross profit increased by 32.7 billion yen year on year. However, this was partly offset by our investments into marketing, brand development and R&D. Year on year, our marketing investments grew by 5.8% on an FX neutral basis, including efficiency gains from a shift to more digital. Overall digital media spend is now around 50%, up more than 10 points versus last year.

Other SG&A increased due to freight costs and office related costs to realize a more innovative working environment. As a result, our operating profit increase for the first nine months was modest at 1.9 billion yen.
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

- We have aggressive marketing initiatives planned for the last quarter of 2019. We are continuing to strengthen our brand marketing in various regions and channels.

- The first example is brand strengthening in China. Pursuing our long-term sustainable growth in China, Shiseido became the title sponsor of the Women’s Tennis Association Finals in Shenzhen. The tournament generated great excitement.

- Another initiative is a rich pipeline of new launches to boost our sell-out. In China, we plan to offer exclusive products by SHISEIDO and Clé de Peau Beauté through TMALL, in order to secure strong demand during W11. In order to effectively engage Chinese consumers during their stay in Japan, SHISEIDO placed out-of-home advertisements in Chinese at Shibuya and Shinjuku in Tokyo. We are actively developing cross-border marketing to make this year’s W11 more successful. We understand that some products have already been sold out in advance, so we are off to a good start.

- Travel Retail has also set up exclusive products of Clé de Peau Beauté and will be opening new doors as well as renovating and upgrading existing counters for NARS.

- In our home market, Japan, we will implement a tie-in promotion on five of our cosmetic brands with Disney to further drive sales in the fourth quarter.

*1. Women’s Tennis Association
Here, let me touch on our latest full-year forecast. As we discussed earlier, the business environment in certain of our markets has become increasingly challenging. External challenges that we have identified include FX, growing market uncertainties stemming from US-China trade friction, and sales decreases in Hong Kong and South Korea. Our Japan Business has also been adversely affected by unfavorable weather and other factors.

Given the factors that I have just covered, we anticipate sales going down by 25 to 30 billion from our previous forecast. Regarding operating profit and net profit, we are set on achieving the original OP forecast of 120 billion and the previous net profit forecast of 83 billion respectively. We recognize, however, that OP may decrease by up to 7 billion, and net profit by up to 4.5 billion. Now, dividend forecast is not revised.

We have been enhancing our business review with each region to identify and evaluate various types of risks and opportunities. We will ensure that we take every possible action to achieve our OP commitment of 120 billion.
Breakdown of Sales Forecast Revision

2019 Full-Year Sales Forecast

(Billion yen)

- 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

Previous (Aug.): 1,164

Latest:
- 1,134
- 1,139

Like-for-like:* +7% growth

*1. Travel Retail

This slide shows a breakdown of our sales forecast revision.
Committed to Achieving Long-Term Growth Targets

Market uncertainties

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

“VISION 2020” and beyond: Sustainable growth momentum

- Selection and concentration
  - Structural reform
  - SKU rationalization
- Long-term investments
  - People first
  - Brand enhancement/M&A
  - Innovation
  - Supply chain
  - Global IT platform

- Lastly, let me assure you that we have put our utmost effort and have stepped up our management actions to ensure achievement of our long-term growth targets.

- In order to address market uncertainties, we have been enhancing our agility through initiatives such as close market monitoring, a rapid PDCA cycle and developing speedy counter-measures.

- At the same time, to sustain our growth momentum beyond VISION 2020, we have been pursuing two major directions: selection and concentration, on one hand, and strategic investment in the long term, on the other.

- That is all from me. Thank you.
## Supplemental Data 1
### Summary of Q3 YTD 2019 Results

<table>
<thead>
<tr>
<th></th>
<th>2019 (Billion yen)</th>
<th>% of Net Sales</th>
<th>2018 (Billion yen)</th>
<th>% of Net Sales</th>
<th>YoY Change</th>
<th>YoY Change %</th>
<th>FX-Neutral %</th>
<th>Like-for-Like FX-Neutral %</th>
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</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>
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<tr>
<td>Cost of Sales</td>
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<td>21.1%</td>
<td>170.1</td>
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<td>Gross Profit</td>
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<td>SG&amp;A</td>
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<td>+30.8</td>
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<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>
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<td>Ordinary Profit</td>
<td>100.7</td>
<td>11.9%</td>
<td>102.7</td>
<td>12.7%</td>
<td>-1.9</td>
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<td>Extraordinary Income/Loss (net)</td>
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<td>-0.0%</td>
<td>-1.3</td>
<td>-0.1%</td>
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<td>Net Profit Attributable to Owners of Parent</td>
<td>72.5</td>
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<td>64.0</td>
<td>7.9%</td>
<td>+8.5</td>
<td>+13.2%</td>
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<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>
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</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>(Billion yen)</th>
<th>2019</th>
<th>YoY Change</th>
<th>YoY Change FX-Neutral %</th>
<th>Like-for-Like FX-Neutral %</th>
<th>2018</th>
<th>% of Net Sales</th>
<th>% of Net Sales</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>350.7</td>
<td>+10.5</td>
<td>+3.1%</td>
<td>+4.3%</td>
<td>340.1</td>
<td>41.4%</td>
<td>42.2%</td>
<td>+3.1%</td>
</tr>
<tr>
<td>China</td>
<td>158.5</td>
<td>+18.0</td>
<td>+12.8%</td>
<td>+18.3%</td>
<td>140.5</td>
<td>18.7%</td>
<td>17.5%</td>
<td>+18.3%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>53.7</td>
<td>+1.8</td>
<td>+3.4%</td>
<td>+7.1%</td>
<td>51.9</td>
<td>6.3%</td>
<td>6.4%</td>
<td>+7.1%</td>
</tr>
<tr>
<td>Americas</td>
<td>93.5</td>
<td>-1.1</td>
<td>-1.1%</td>
<td>-0.1%</td>
<td>94.6</td>
<td>11.1%</td>
<td>11.7%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>EMEA</td>
<td>76.2</td>
<td>+1.1</td>
<td>+1.5%</td>
<td>+8.3%</td>
<td>75.1</td>
<td>9.0%</td>
<td>9.3%</td>
<td>+8.3%</td>
</tr>
<tr>
<td>Travel Retail</td>
<td>78.0</td>
<td>+10.8</td>
<td>+16.0%</td>
<td>+17.9%</td>
<td>67.3</td>
<td>8.3%</td>
<td>8.3%</td>
<td>+17.9%</td>
</tr>
<tr>
<td>Professional</td>
<td>11.0</td>
<td>+0.5</td>
<td>+4.4%</td>
<td>+6.7%</td>
<td>10.5</td>
<td>1.3%</td>
<td>1.3%</td>
<td>+6.7%</td>
</tr>
<tr>
<td>Other</td>
<td>25.2</td>
<td>-0.7</td>
<td>-2.6%</td>
<td>-2.6%</td>
<td>25.8</td>
<td>3.0%</td>
<td>3.3%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Total</td>
<td>846.6</td>
<td>+40.9</td>
<td>+5.1%</td>
<td>+7.2%</td>
<td>805.8</td>
<td>100%</td>
<td>100%</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
Supplemental Data 3
Japan Sales Grew +4.3% Like-for-Like

Q3 YTD Sales in Japan by Category

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>YoY Change</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Net Sales</td>
<td>% of Net Sales</td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Prestige/ Specialty Store</td>
<td>119.1 34.0%</td>
<td>113.7 33.4%</td>
<td>+5.5</td>
<td>+4.8%</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>160.5 45.8%</td>
<td>154.2 45.3%</td>
<td>+6.3</td>
<td>+4.1%</td>
</tr>
<tr>
<td>Personal Care</td>
<td>43.1 12.3%</td>
<td>43.5 12.8%</td>
<td>-0.4</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Others</td>
<td>27.9 7.9%</td>
<td>28.7 8.5%</td>
<td>-0.9</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Japan Sales</td>
<td>350.7 100%</td>
<td>340.1 100%</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%
## 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 OPM %</th>
<th>2018 OPM %</th>
<th>YoY Change</th>
<th>YoY Change %</th>
</tr>
</thead>
<tbody>
<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>SG&amp;A</td>
<td>565.1</td>
<td>66.7%</td>
<td>+0.4</td>
<td>+5.8%</td>
</tr>
<tr>
<td>Marketing Investments*1</td>
<td>294.9</td>
<td>34.8%</td>
<td>-0.6</td>
<td>+3.4%</td>
</tr>
<tr>
<td>Brand Development/ R&amp;D Investments</td>
<td>45.1</td>
<td>5.3%</td>
<td>+0.1</td>
<td>+8.1%</td>
</tr>
<tr>
<td>Personnel Expenses</td>
<td>96.1</td>
<td>11.4%</td>
<td>-0.3</td>
<td>+1.8%</td>
</tr>
<tr>
<td>Other SG&amp;A Expenses</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</th>
<th>2018</th>
<th>YoY Change</th>
<th>YoY Change %</th>
<th>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>^2</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>Segment</th>
<th>2019 (Billion yen)</th>
<th>2018 (Billion yen)</th>
<th>YoY Change %</th>
<th>YoY Change FX-Neutral %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>118.8</td>
<td>109.4</td>
<td>+9.4</td>
<td>+8.6%</td>
</tr>
<tr>
<td></td>
<td>42.1%</td>
<td>40.0%</td>
<td></td>
<td>+8.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+10.1%</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>50.8</td>
<td>47.6</td>
<td>+3.2</td>
<td>+6.7%</td>
</tr>
<tr>
<td></td>
<td>18.0%</td>
<td>17.4%</td>
<td></td>
<td>+13.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+13.8%</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>17.4</td>
<td>18.5</td>
<td>-1.1</td>
<td>-6.1%</td>
</tr>
<tr>
<td></td>
<td>6.2%</td>
<td>6.8%</td>
<td></td>
<td>-1.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-1.8%</td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>29.4</td>
<td>35.7</td>
<td>-6.3</td>
<td>-17.7%</td>
</tr>
<tr>
<td></td>
<td>10.4%</td>
<td>13.1%</td>
<td></td>
<td>-14.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-2.9%</td>
<td></td>
</tr>
<tr>
<td>EMEA</td>
<td>28.0</td>
<td>28.2</td>
<td>-0.3</td>
<td>-0.9%</td>
</tr>
<tr>
<td></td>
<td>9.9%</td>
<td>10.3%</td>
<td></td>
<td>+7.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+7.3%</td>
<td></td>
</tr>
<tr>
<td>Travel Retail</td>
<td>25.0</td>
<td>22.0</td>
<td>+3.0</td>
<td>+13.4%</td>
</tr>
<tr>
<td></td>
<td>8.9%</td>
<td>8.1%</td>
<td></td>
<td>+19.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+19.1%</td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>3.7</td>
<td>3.2</td>
<td>+0.5</td>
<td>+15.6%</td>
</tr>
<tr>
<td></td>
<td>1.3%</td>
<td>1.2%</td>
<td></td>
<td>+18.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+18.7%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>8.9</td>
<td>8.4</td>
<td>+0.5</td>
<td>+5.4%</td>
</tr>
<tr>
<td></td>
<td>3.2%</td>
<td>3.1%</td>
<td></td>
<td>+5.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+5.4%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>282.0</td>
<td>273.2</td>
<td>+8.8</td>
<td>+3.2%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td></td>
<td>+6.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+8.6%</td>
<td></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</th>
<th></th>
<th>2018</th>
<th></th>
<th>YoY Change</th>
<th>YoY Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OPM %</td>
<td></td>
<td>OPM %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>27.7</td>
<td>21.3%</td>
<td>20.1</td>
<td>17.2%</td>
<td>+7.6</td>
<td>+37.9%</td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>5.9</td>
<td>11.6%</td>
<td>7.8</td>
<td>16.4%</td>
<td>-1.9</td>
<td>-24.4%</td>
</tr>
<tr>
<td><strong>Asia Pacific</strong></td>
<td>2.3</td>
<td>12.9%</td>
<td>2.7</td>
<td>14.0%</td>
<td>-0.4</td>
<td>-13.6%</td>
</tr>
<tr>
<td><strong>Americas</strong></td>
<td>-6.0</td>
<td>-16.7%</td>
<td>-2.4</td>
<td>-5.2%</td>
<td>-3.6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Before Amortization of Goodwill, etc.</strong></td>
<td>-4.8</td>
<td>-13.1%</td>
<td>-1.1</td>
<td>-2.3%</td>
<td>-3.7</td>
<td>-</td>
</tr>
<tr>
<td><strong>EMEA</strong></td>
<td>1.6</td>
<td>5.0%</td>
<td>0.3</td>
<td>0.8%</td>
<td>+1.3</td>
<td>+513.6%</td>
</tr>
<tr>
<td><strong>Before Amortization of Goodwill, etc.</strong></td>
<td>2.0</td>
<td>6.3%</td>
<td>0.7</td>
<td>2.2%</td>
<td>+1.3</td>
<td>+182.2%</td>
</tr>
<tr>
<td><strong>Travel Retail</strong></td>
<td>5.8</td>
<td>23.1%</td>
<td>3.9</td>
<td>17.7%</td>
<td>+1.9</td>
<td>+48.2%</td>
</tr>
<tr>
<td><strong>Professional</strong></td>
<td>0.2</td>
<td>5.2%</td>
<td>0.1</td>
<td>2.3%</td>
<td>+0.1</td>
<td>+153.6%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>-2.2</td>
<td>-5.5%</td>
<td>-1.5</td>
<td>-4.2%</td>
<td>-0.7</td>
<td>+48.9%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>35.2</td>
<td>10.5%</td>
<td>30.9</td>
<td>9.6%</td>
<td>+4.3</td>
<td>+13.8%</td>
</tr>
<tr>
<td><strong>Adjustments</strong></td>
<td>-0.9</td>
<td>-</td>
<td>-0.6</td>
<td>-</td>
<td>-0.2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>34.3</td>
<td>12.2%</td>
<td>30.3</td>
<td>11.1%</td>
<td>+4.0</td>
<td>+13.3%</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 9
Main Constituents of Old and 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

* ESG initiatives are in red.
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

* ESG initiatives are in red.