

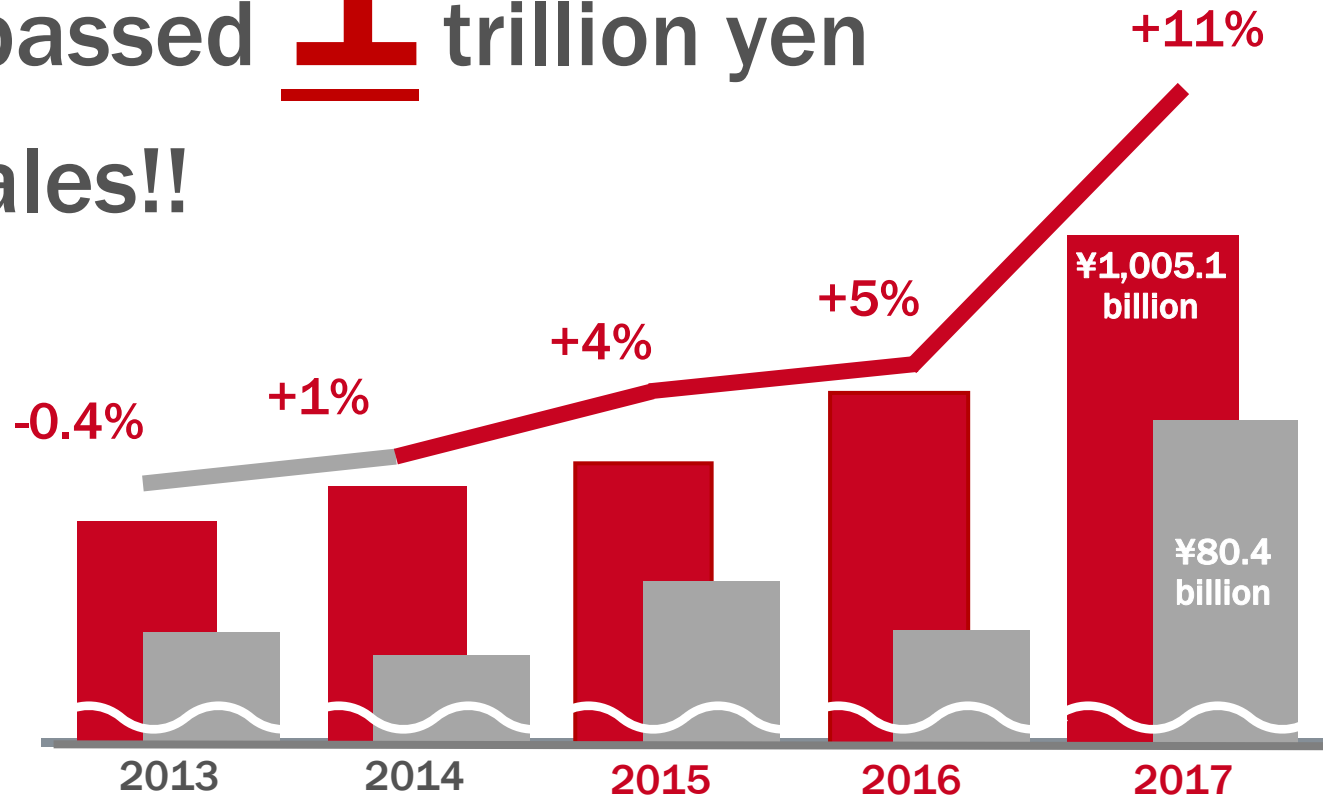


- Be a Global Winner with Our Heritage -

March 27, 2018

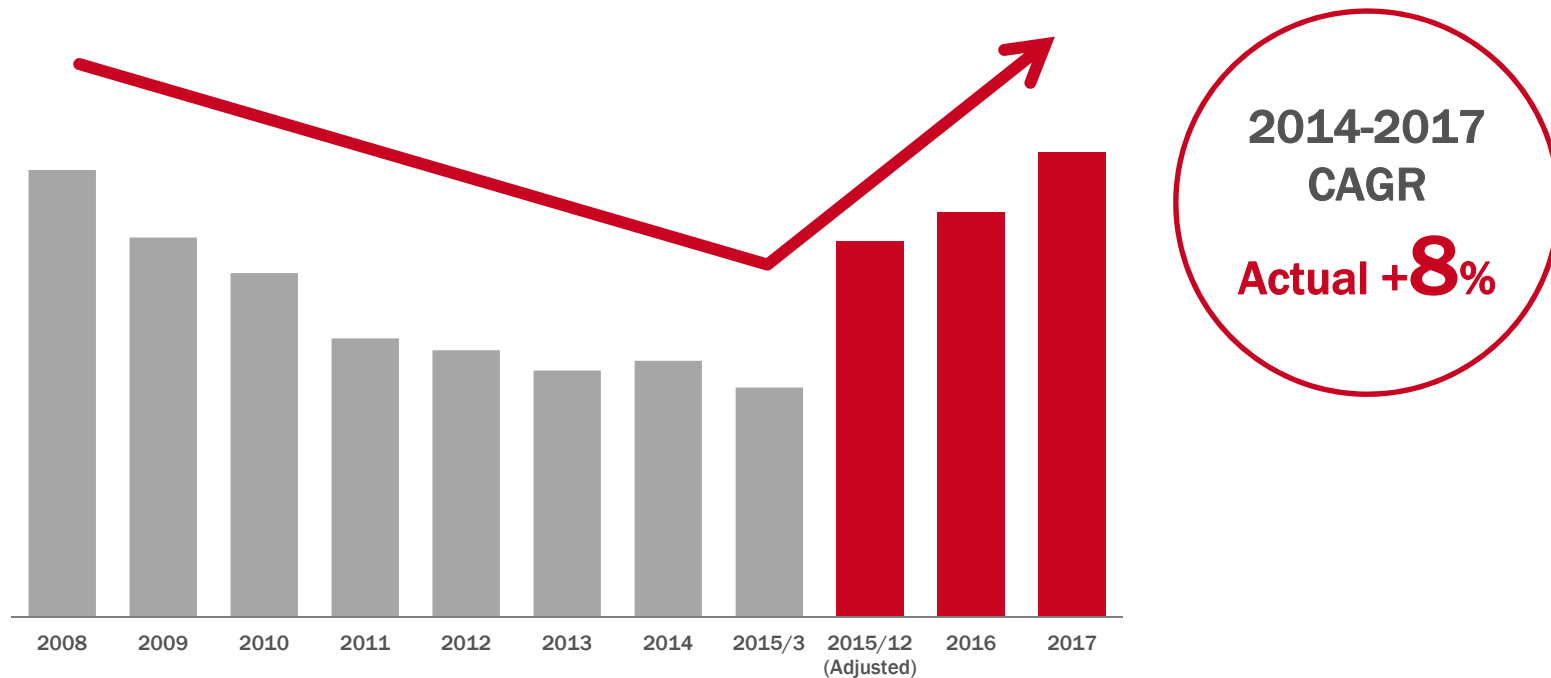
**Masahiko Uotani
Representative Director, President & CEO
Shiseido Company, Limited**

Surpassed 1 trillion yen in sales!!



* Excluding currency exchange effect. The sales growth for FY2013 excludes the impact of last-minute demand ahead of the consumption tax hike. The sales growth for FY2014 excludes the impact of the rebound after the consumption tax hike, market inventory optimization in China and Asia, and distribution center problems in the Americas

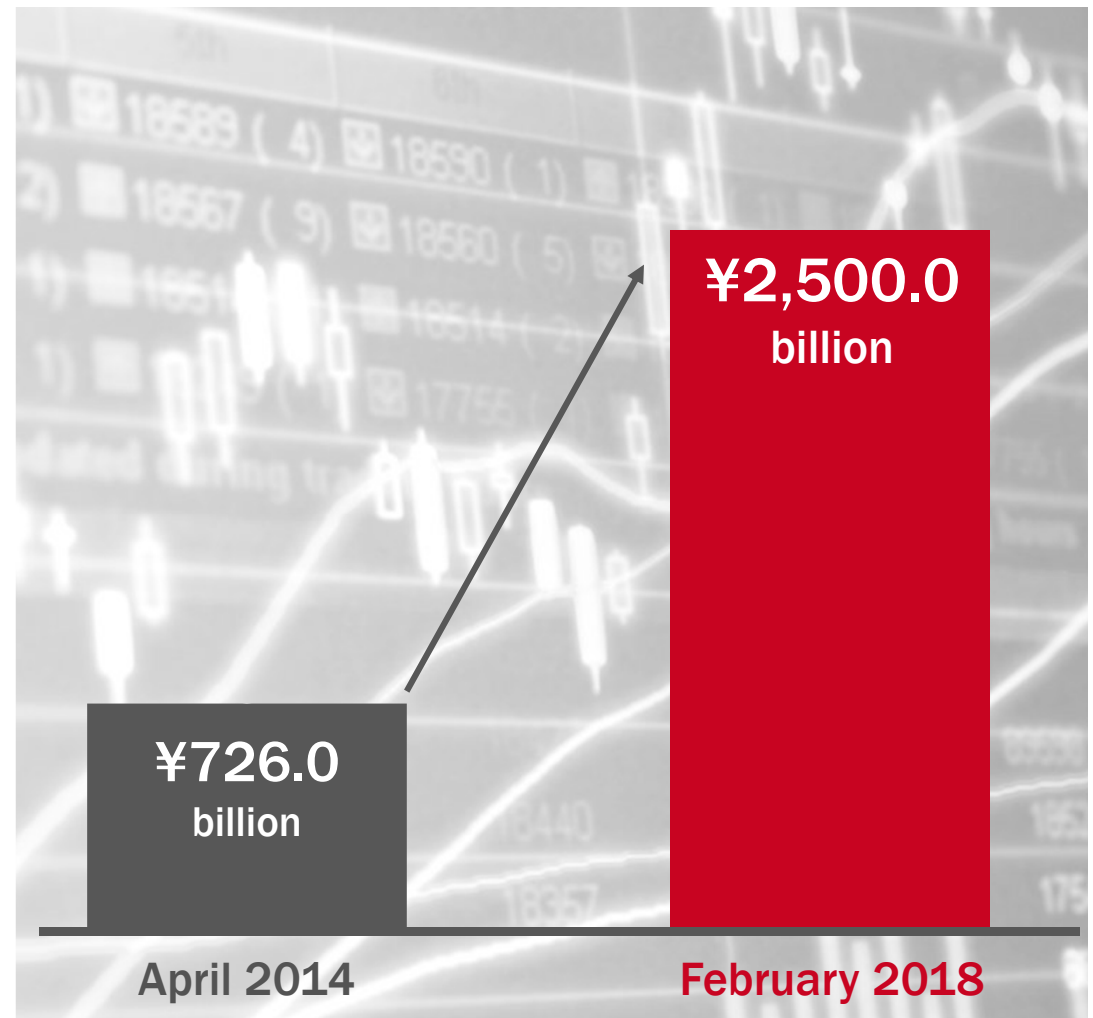
Japan business staged a comeback



* Figures from FY2008 to FY2015/3 are based on disclosed figures for the April to March cycle (growth rate, net sales).

Figures for FY2015/12 (Adjusted) are actual results from January to December 2015. Figures from the FY2015/12 (Adjusted) to FY2017 are based on disclosed figures (growth rate, net sales).

Market cap grew
to **3.5** times
2014 level



**Resolute
implementation
of reforms**

**Upfront
investment**



**Recovery of earning
power and performance**

**Record high sales,
operating income and
cash flow**

Based on the understanding and support of shareholders


2014: “I will revive Shiseido”



The answer is on the frontlines

Dialogue with 65,000 employees





Growth driven by employees
committed to changing and
improving Shiseido



We can do it,
if we try!



Humble confidence

**Keep aiming for
greater heights**



2018-20
Corporate Strategy and Plan

Five Growth Strategies for 2018-20

1

Further “Selection and Concentration” of Brand Businesses

- Enhanced Sustainable Growth Based on “Prestige First” Strategy
- Acceleration of CPC (Cosmetics and Personal Care) Business Growth in Asia

2

Acceleration of Digitalization/New Business Development

3

New Value Creation through Innovation

4

Talent and Organization Development to Be a Global Winner: “PEOPLE FIRST”

5

New Global Management Model

Prestige brands - driving global growth

SHISEIDO
GINZA TOKYO



clé de peau
BEAUTÉ



NARS



IPSA



laura mercier



DOLCE & GABBANA



SHISEIDO
GINZA TOKYO



Beauty brings out
the strength within.

Ultimune Power Infusing Concentrate

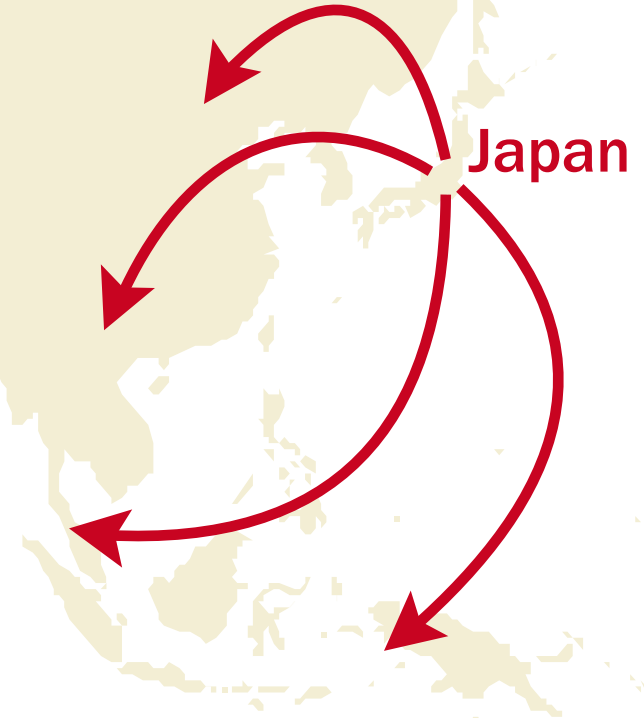
SHISEIDO
GINZA TOKYO

☞
clé de peau
BEAUTÉ



☞
clé de peau
BEAUTÉ

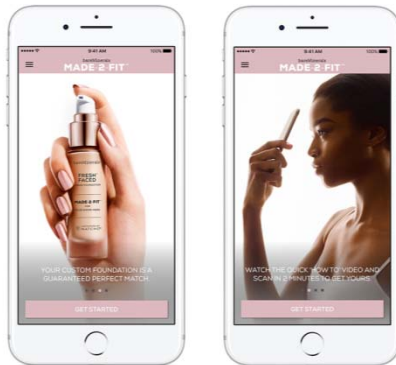
“Made in Japan” cosmetics and personal care brands - ensuring growth in Asia



Digitalization/New business development



MATCHC[®]



Innovation/New value creation

R&D Investment in 2020

- R&D-to-sales ratio **3%**
- R&D staff headcount **1,500**

Global Innovation Center will start operation this December

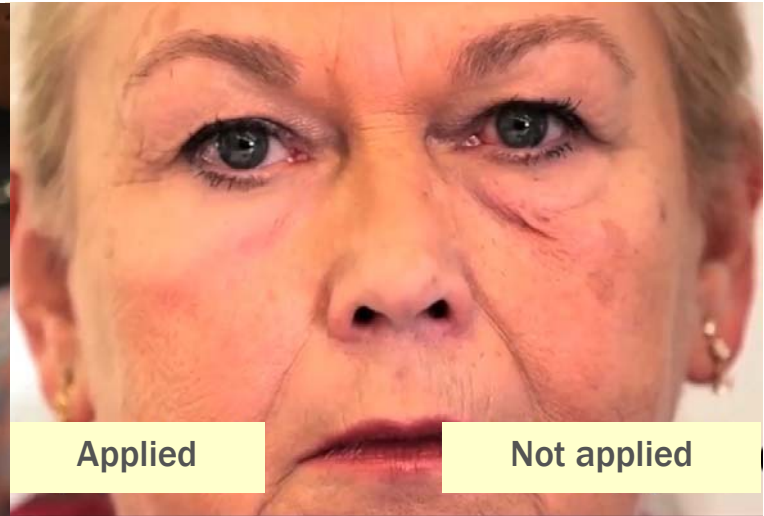


Acquiring cutting-edge technologies

Artificial skin - “Second Skin” technology



Dr. Robert Langer



* Photographer (MIT/Olivo)

PEOPLE FIRST

Investment in talent development

- Nurturing of next-generation leaders
 - Training and study-abroad programs
 - Establishment of Asia Learning Center (Singapore)
- Promoting diversity
 - 40% of female leaders by 2020 (Japan)
- Improvement of English proficiency
 - 1,700 employees currently learning English



New Global Management Model



Addressing priority issues

Development of supply network

- Enhancement of facilities at existing factories
- Establishment of new factories in Nasu and Osaka
- Further strengthening of quality control
- Improvement of working conditions of factory employees
Giving permanent positions to 1,200 employees on fixed-term contracts

2018-20 TTL Investment **¥130 B**



Addressing priority issues

Improvement of profitability in the Americas and EMEA businesses

Americas

Structural reforms at Bare Escentuals

- Recognition of impairment loss
- Closure of 100 boutiques
- Strengthening of digital marketing

bareMinerals®



EMEA

Full-scale expansion of Dolce & Gabbana fragrance business

- Strengthening of marketing investment
- Expansion of business area

DOLCE & GABBANA



Activities to reduce costs

- COG reduction
- Improvement of supply chain efficiency
- Productivity improvement through system integration

2018-20 TTL Target

¥40 B



2018 Plan

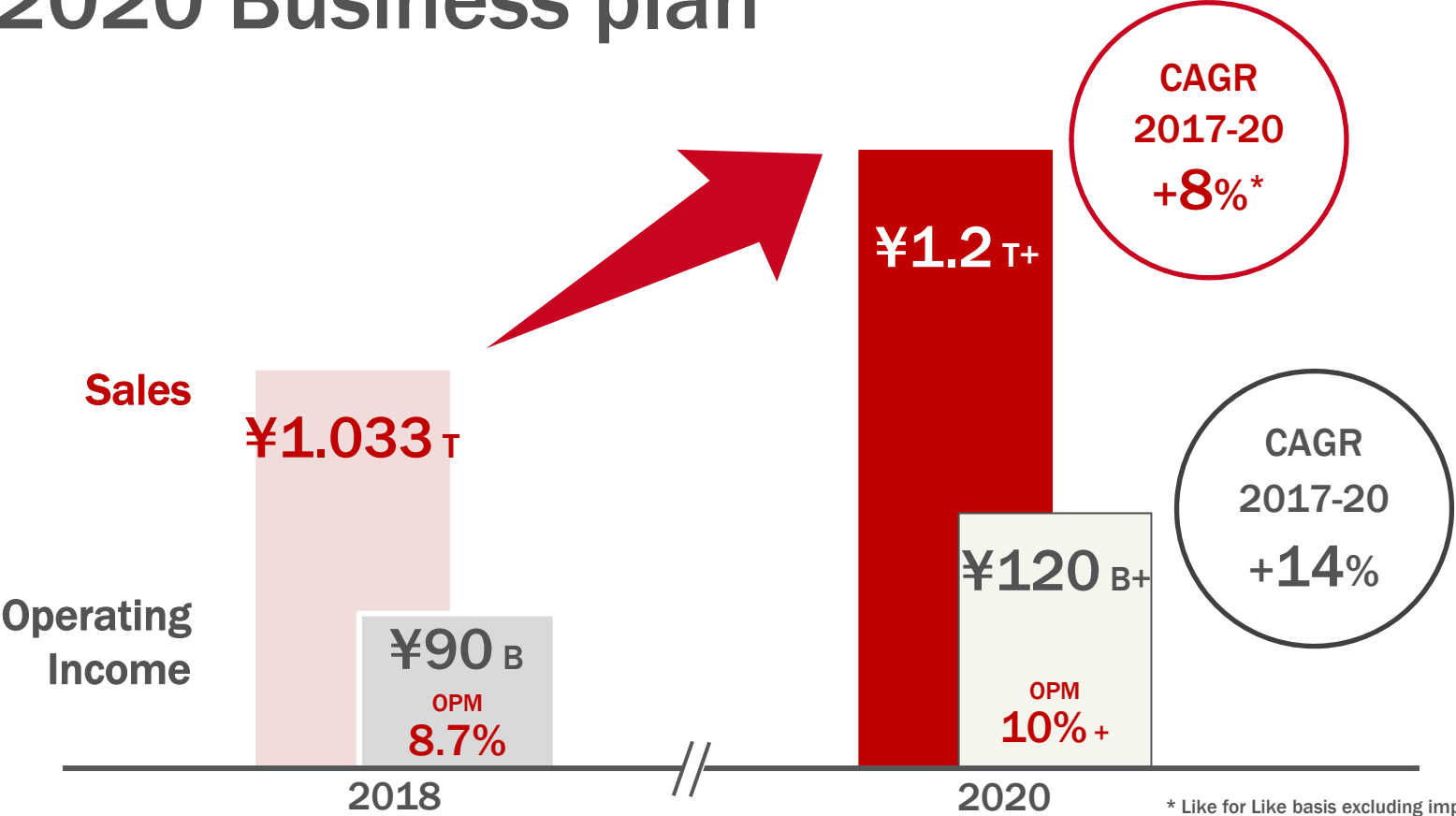
(Billion yen)	2018		YoY Change %	YoY Change in Local Currency %	YoY change Like for Like*
		% of Net Sales			
Net Sales	1,033.0	100%	+2.8%	+3%	+8%
Operating Income	90.0	8.7%	+11.9%		
Ordinary Income	90.0	8.7%	+12.0%		
Extraordinary Income/Loss	-6.0	—	—		
Net Income Attributable to Owners of Parent	54.0	5.2%	+137.4%		

Expected ROE : 12.6%

Exchange rates: 2018 USD1=JPY110 (-2%), EUR1=JPY128 (+1%), CNY1=JPY16.5 (-1%)

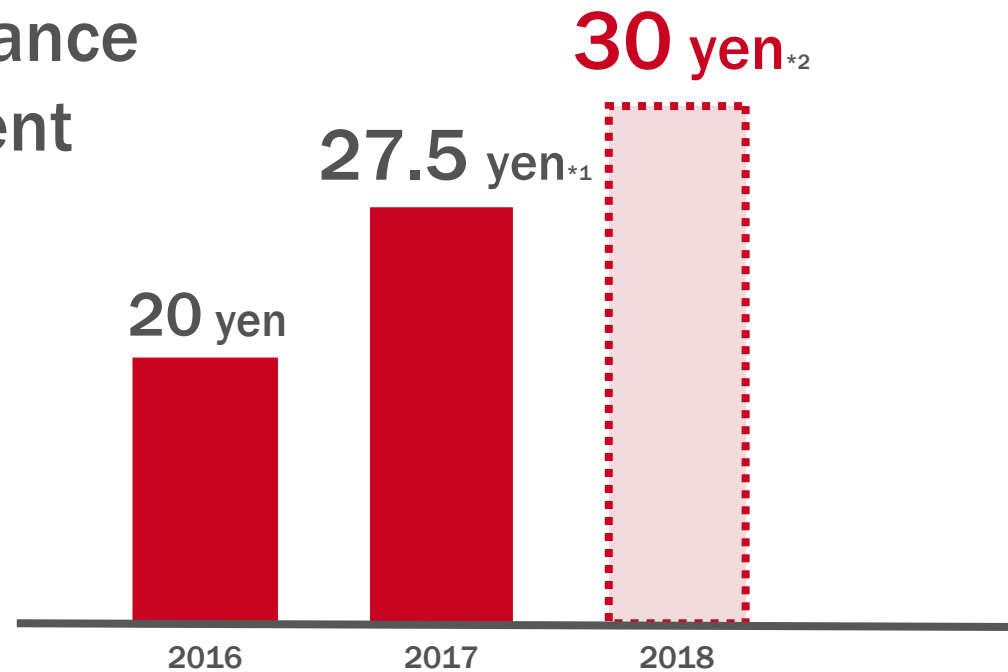
* Like for Like basis excluding impact such as Zotos divestiture

2020 Business plan



Shareholder returns

Improvement in performance accompanied by consistent **dividend increases** and **share price rise**



*1 Amount of dividend if First Item of Business is approved and passed today.

*2 2018 plan (an interim payment of 15 yen and a year-end payment of 15 yen)



Our dream:

To be the world's most trusted
beauty company

By 2030

- ✓ Among top 3 companies in Global Prestige Cosmetic Market
- ✓ Market leader in Japan and Asia
- ✓ Net sales of ¥2 trillion
Operating income of ¥300 billion



Joy



Happiness



Laughter



Health

Beauty Can Change the World



Commitment



Energy



Confidence



Empowerment

Creating social value with our businesses



資生堂 🥰 表情プロジェクト



More genuine smiles

All-In-One Product



Support for working women

乳液なのにうれしい
ほら、ご近所美容



Support for the senior generation



In support of
UN WOMEN

Empowering women

就活
メイク
by SHISEIDO



Support for the new grads and athletes

NEW
ビューティーサンケア



ANESSA

Protecting skin from UV rays

花粉
PM2.5



Protection from allergens



Appearance care

**We look forward to
the continued support
of our shareholders.**

SHISEIDO

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.