

# Creating the Future of Shiseido

March 28, 2017

**Masahiko Uotani**

**Representative Director,**

**President and CEO**

**Shiseido Company, Limited**

The Shiseido logo, featuring a stylized red 'S' symbol followed by the word 'HISEIDO' in a bold, red, sans-serif font.

# Three years ago: Revitalize Shiseido

- Vitalize employees
- Strong brands
- Sustainable growth
- Improve corporate value



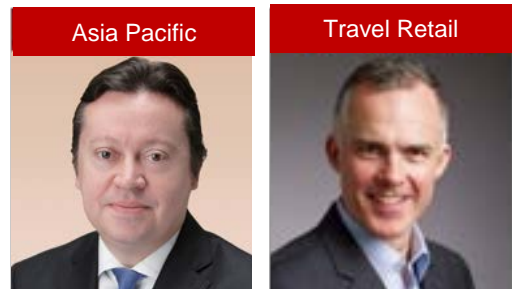
# Solving problems

## Resolving legacy issues

- Collecting excess store inventory
- Withdrawing from unprofitable businesses
- Structural reforms in EMEA and the Americas

# Reforms for growth

- Being consumer-oriented uncompromisingly
- Enhancing research and development
- Increasing investment in PR and advertising
- Developing global matrix organization, nurturing human resources
- Acquisition of the *Laura Mercier* brand and conclusion of a license agreement for *Dolce&Gabbana*
- Raising money for investment by reducing cost



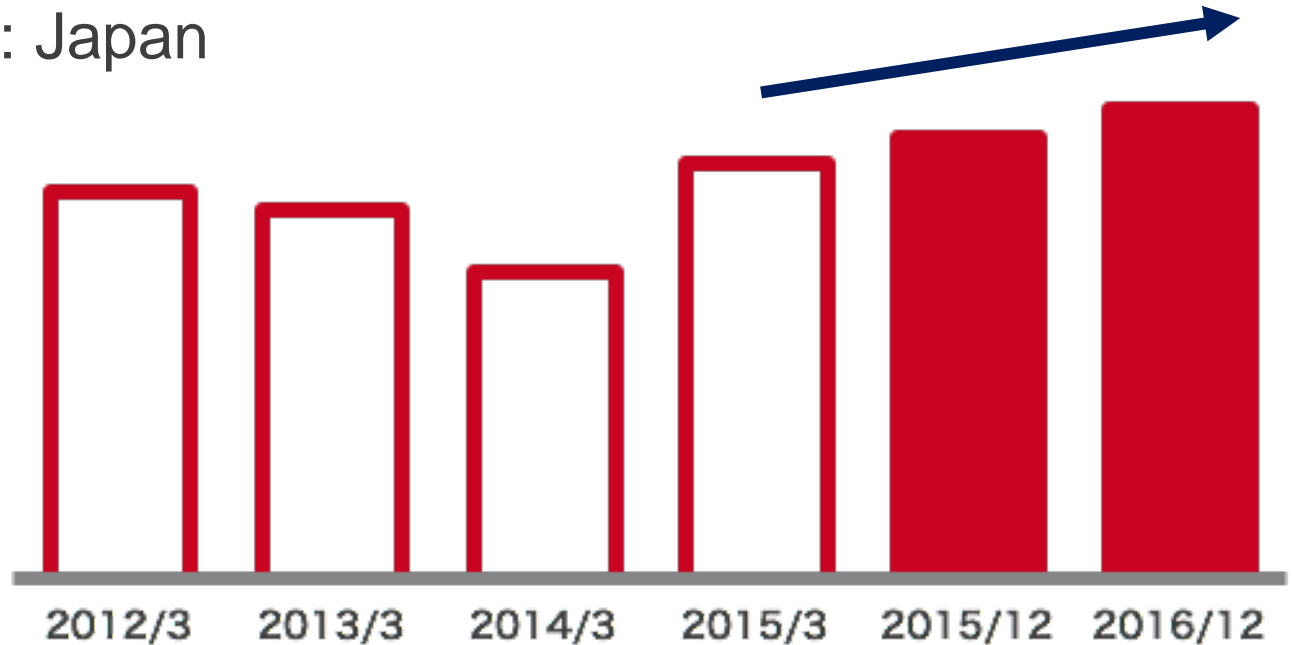
# Achieving steady results

- Changing employees' awareness and behaviors
- Restoring the growth of Japan business
- Increasing earning power
- Increasing the share price and market capitalization
- Improving our reputation in the world



# Restoring the growth of Japan business

Sales by region: Japan



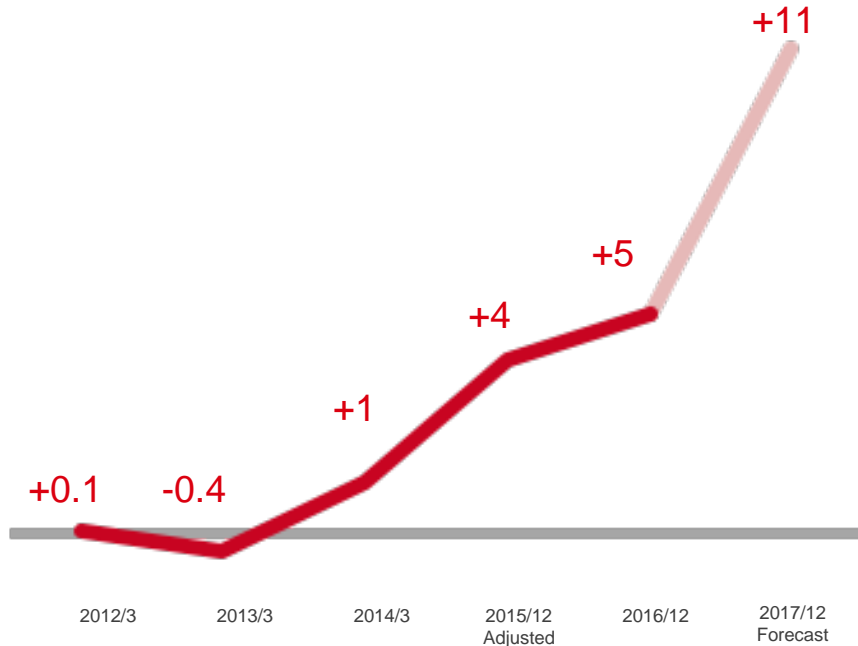
Note 1: The figures for 2014/3 and 2015/3 were adjusted in consideration of the impact of the consumption tax hike.

Note 2: The figure for 2015/12 was adjusted to be equivalent to a figure for 12 months.

# Increasing earning power

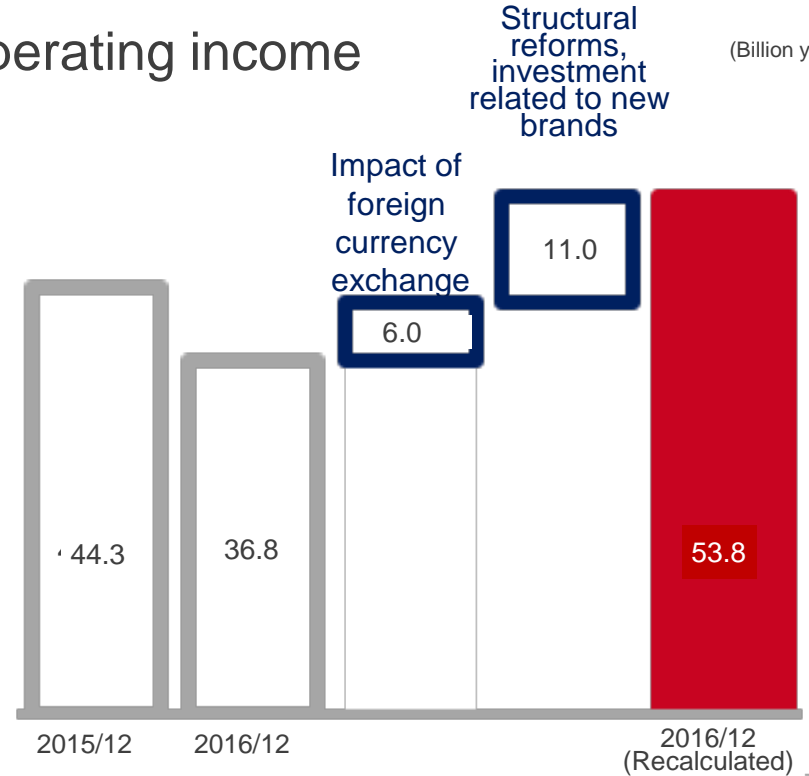
## Sales growth rate

(%)



## Operating income

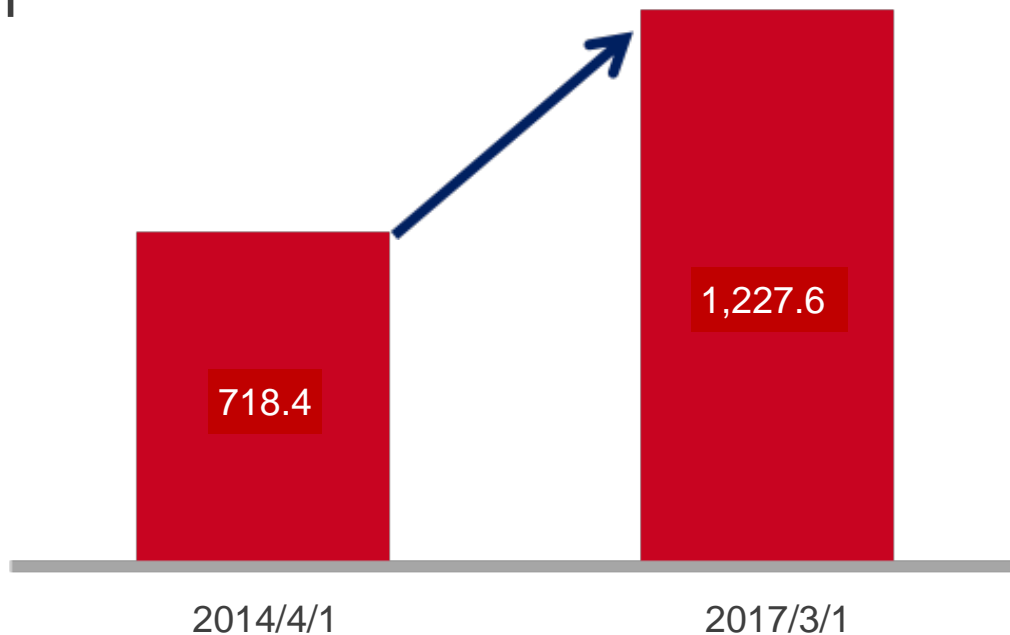
(Billion yen)



# Increasing the share price and market capitalization

(Billion yen)

Our market capitalization





# Our international reputation

Won the Marie Claire Prix d'Excellence de la Beauté award, the most prestigious international beauty award.



2014



2015



2016



# Uncertain business environment

- U.S. politics and economy
- Instability of Europe
- Japan: Population decline, polarization of consumption
- Increasingly fierce market competition
- Negative interest rates, exchange rate trends



# Future challenge (1)

## Issues to overcome in 2017

- U.S.: *bareMinerals*
- China: *AUPRES*
- Japan: Personal Care business



## Future challenge (2)

# Toward achievement of 2020 targets

- Allowing employees to work vibrantly
- Enhancing technological innovation capability further



# For allowing employees to work vibrantly

- Nurture human resources, and support their growth
- Workstyle change
- Balancing work with childcare/ family care
- Increasing the proportion of female leaders to 30%
- Reform of corporate culture  
“Rejuvenate Shiseido”



Global Innovation Center

One of the industry's largest research centers, which supports the improvement of our technological innovation capability



# Recognition of the effect of the retinol acting ingredient in improving skin wrinkles



# Commencing clinical research on hair regenerative medicine

# SPEC

資生堂細胞加工培養センター  
SHISEIDO cell-Processing & Expansion Center





# Cosmetics that are only for you



# Future challenge (3) For meeting expectations of society

- Environment
- Social
- Culture
- Governance



# Helping women to work actively and supporting the growth of children New childcare business



- Establishment of KODOMOLOGY Co., Ltd.
- Entrusted operation of in-house nursery schools



# Long-term perspective for meeting expectations of shareholders

- Aiming to be ranked among the top 3 in the world
- Business investment and human resource investment for growth
- Shift to a highly profitable structure
- Achieving our missions
- Improving shareholder value

Be a global winner with our heritage.



We look forward to your  
continued understanding and  
support.

SHISEIDO