

Shiseido CSR [Shiseido's Corporate Social Responsibility]

"Beautiful Society, Bright Future."

Shiseido is committed to pursuing a variety of CSR activities that earn the empathy of society.

*CSR: Corporate Social Responsibility

[CONTENTS]

○ Commitment by Management	1
○ [What is Shiseido CSR?]	
● Overall Image of Shiseido (CSR Corporate Mission, The Shiseido Way and The Shiseido Code)	3
● Domain and Promotion Structure of CSR Activities	6
● Participation in the United Nations Global Compact	11
○ Corporate Profile	13
○ Management structures	
● Corporate Governance	15
● Shiseido's corporate ethics	20
○ Activities taking advantage of Shiseido's core business	30
● Shiseido Life Quality Beauty Center	32
● Shiseido Life Quality Beauty Seminars	37
○ Initiatives with Stakeholders	
● With Our Customers	44
● With Our Business Partners	62
● With Our Shareholders	65
● With Our Employees	67
■ Shiseido "Shared Education" Declaration	
■ Gender Equality Initiatives	
■ Action Plan for Supporting the Development of the Next Generation	
■ Creating an Environment in Which Employees Can Raise Their Children and Continue Working with Peace of Mind - Kangaroo Staff -	
■ Physical and emotional wellness	
■ Work Improvement Proposal System (Chie-Tsubaki Proposal System)	
■ Aiming to develop a workplace in which all employees can work enthusiastically	
■ Toward Building Favorable Labor-Management Relations	
■ Implementation of Employee Satisfaction Survey and Providing Feedback for Promoting Internal Activities	
■ Personnel Data	

● With Our Society	95
■ Activities to Support Academic Research	
■ Corporate Policy on Animal Testing and Alternative Methods	
■ Supporting Female Researchers	
■ Kangaroom Shiodome, a Nursery School Operated by Shiseido	
■ Initiatives for Children	
■ Initiatives at Domestic Business Locations	
■ Initiatives in Overseas Business Offices	
■ Employee-led Social Contribution Activities	
■ Disaster Relief	
■ Shiseido Social Welfare Foundation	
■ Corporate Cultural Activities and Support of Artistic and Cultural Activities (Philanthropy)	
○ For our precious environment	
● Initiatives for a Healthy Environment	151
● Environmental Management	154
● Reducing Environmental Impacts	155
● Strengthening Environmental Communication	170
● Environmental Data	181
○ History of social and environmental activities	182
○ Communication	
● Third Party Evaluation	187
○ GRI Guidelines Index	191

Commitment by Management

Toward Realizing "This moment. This life. Beautifully." for Customers Worldwide



Shiseido declared its intention to redouble its efforts toward transforming into a global company under a three-year plan started in 2008. In 2004, Shiseido announced its intention to participate in the United Nations Global Compact underscored by 10 principles in the areas of human rights, labour standards, the environment and anti-corruption. In addition to adhering to and putting these principles into practice, Shiseido is also fully committed to realizing the ideals imbued in its message "This moment. This life. Beautifully." Specifically, the core initiatives of Shiseido's corporate social responsibility (CSR) activities include contributing to society through the cosmetics business, promoting activities to support women due to the fact that 90% of our customers and 70% of our employees are females, addressing environmental issues

as a top global priority and undertaking measures for ensuring safety and reassurance.

To adhere to and put into practice "contributing to society through the cosmetics business," Shiseido is carrying out the SHISEIDO LIFE QUALITY BEAUTY PROGRAM employing cosmetics and beauty techniques with the aim of improving the quality of life (QOL) of persons with serious skin, psychological or physical concerns both domestically and abroad. Under this program, the SHISEIDO LIFE QUALITY BEAUTY SEMINAR is held approximately 3,000 times throughout Japan every year as a beauty seminar for elderly persons and persons with disabilities at such places as welfare facilities. In fiscal 2009, Shiseido newly established the SHISEIDO BEAUTY SUPPORTER SYSTEM in which all Shiseido employees can participate and contribute. This program, which started with myself and other members of management and other employees taking part, has cumulated to date with a total of 1,400 employees participating from business locations in Japan. Every time we supported such efforts, the opportunity to see that cosmetics lighten customers' hearts, bring joy and give them confidence and courage was deeply moving and encouraging.

To adhere to and put into practice "activities to support women," Shiseido carries out support activities aimed at helping to enrich the lifestyles of women throughout the world through our corporate initiatives. To ensure gender equality within the company, Shiseido considers the training of female employees to be essential. Therefore, we promote business operations based on key principles such as "promoting an affirmative action plan for realizing an organizational environment conducive to constantly nurturing and promoting the creation of female leaders. Based on the objective to nurture female employees, Shiseido aims for male and female employees to advance in their careers together with

balancing work with child rearing and nursing care instead of being barely being able to do so. We will also undertake our full efforts to advance as a company while improving our ability to propose new value for our customers.

In terms of "addressing environmental issues," Shiseido established an environmental initiative in which all employees in the Shiseido Group participate worldwide called the Shiseido Earth Care Project with the aim of creating "a sustainable society in which people and the Earth coexist beautifully." In order to continuously promote new beauty while receiving the benefits of the various bounties of the Earth, this project is centered on the preservation of biodiversity and steadily promoting basic environmental activities that should be carried out as a social responsibility as a matter of course, including the reduction of CO₂ emissions and resource conservation. Furthermore, Shiseido focuses on realizing "a new lifestyle that connects 'beauty' and 'eco-friendliness'" by strongly promoting environmental activities unique to Shiseido.

From the perspective of striking a balance between strictly ensuring safety so that customers' can use our cosmetics with peace of mind and deeply caring for all life on earth, Shiseido has decided to eliminate animal testing conducted by the company for cosmetic product development by the end of March 2011. Looking to the future, Shiseido will promote further efforts for eliminating animal testing. In tandem, we will establish a platform for exchanging opinions with as many experts, academic institutions and animal welfare organizations as possible while also adhering to the latest EU regulations (EU' Cosmetic Directive).

Recently, the global economy appears to be getting back on a recovery track; however, the future remains unclear. Many other problems have yet to be solved as well, including global warming, poverty and conflicts. Therefore, we must firmly unite to keep our customers, society and the earth beautiful and abundant, and in doing so, promote CSR activities based on Shiseido's Corporate Mission in which "we seek to identify new, richer sources of value and use them to create a beautiful lifestyle." This is our pledge and commitment to our customers throughout the world.



June, 2010
Shinzo Maeda
President & CEO
Shiseido Company, Limited

前田新造

TOP > [What is Shiseido CSR?]Overall Image of Shiseido CSR

Overall Image of Shiseido CSR

Corporate ideals and values fundamental to Shiseido CSR activities



Corporate Mission

Corporate Mission

We seek to identify new, richer sources of value and use them to create a beautiful lifestyle.

Criteria for Corporate Activity

1. We seek to bring satisfaction to our customers.
2. We seek positive results through creative means.
3. We encourage the open sharing of different points of view.
4. We encourage innovative thinking, and boldly pursue challenges.
5. We act with appreciation in all of our activities.

THE SHISEIDO WAY

With Our Customers

Through the creation of products possessing true value and exceptional quality, we strive to help our customers realize their dreams of beauty, well-being and happiness.

With Our Business Partners

Joining forces with partners who share our goals, we act in a spirit of sincere cooperation and mutual assistance.

With Our Shareholders

We strive to win the support and trust of our shareholders through transparent management practices and sound business results achieved by high quality growth enabling the retention of earnings for future investments and payment of dividends.

With Our Employees

The diversity and creativity of our employees makes them our most valuable corporate asset. We strive to promote their professional development and we evaluate them fairly. We recognize the importance of our employees' personal satisfaction and well-being, and seek to grow together with them.

With Our Society

We respect and obey all laws in regions in which we do business. Safety and preservation of the natural environment are among our highest priorities. In cooperation with local communities and in harmony with international society, we employ our cultural resources in creating a beautiful lifestyle.

THE SHISEIDO CODE (Extract)

Chapter 1

1. We will always try to see things from our customers' perspective and do our best to research and develop, manufacture and sell products and services of excellence that can truly meet our customers' needs.
2. We will supply quality information to our customers.
3. We will act in a way that satisfies our customers and wins their trust.
4. We will actively seek our customers' opinions and comments and take them into consideration.
5. We will do our best to upgrade the brand value of the Shiseido Group.

Chapter 2

1. We respect all our business partners who share our aims, and aspire for coexistence.
2. We will always comply with the Anti-Trust Law and other relevant laws, and compete fairly.

3. We will not give or take such gifts, nor entertain or be entertained in such a manner that may cause suspicion regarding our fairness.

Chapter 3

1. We will make good use of the Shiseido Group's assets to achieve good business results and yield profits.
2. We will maintain transparency in our corporate management and carry out proper accounting practices.
3. We will place importance on dialogue with our shareholders and investors to gain the trust of the capital market.
4. We will properly treat unreleased important information (insider information).

Chapter 4

1. We will identify ourselves with each other and will respect each individual's way of thinking and points of view so that everybody in the workplace may work to his or her fullest capability.
2. We will conduct business with integrity and strive to create new values, and to put forth our best efforts to promote self-development.
3. We will create a healthy and safe work environment and comply with labor standards.
4. We will manage information appropriately and will treat confidential information with greatest care.
5. We will distinguish between private and business affairs to create a pleasant work environment.

Chapter 5

1. We will respect and obey all laws and will respect local customs in all countries and regions.
2. We will preserve the global environment by obeying environmental laws and our own stringent environmental standards.
3. We will actively concern ourselves in society.

For more information, see
<http://www.shiseido.co.jp/e/ideals/>

TOP > [What is Shiseido CSR?]Domain and Promotion Structure of CSR Activities

Domain and Promotion Structure of CSR Activities

Corporate ideals and values fundamental to Shiseido CSR activities

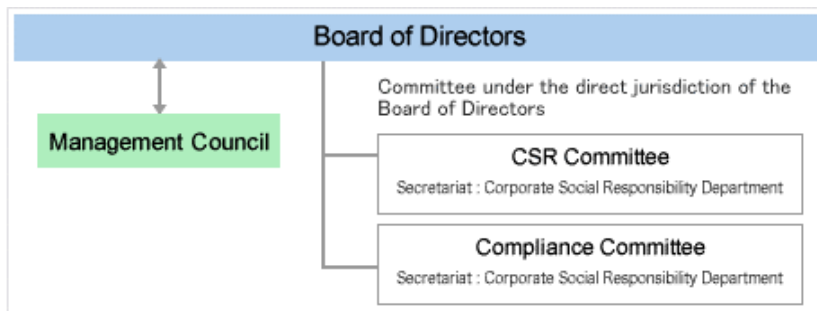
CSR Activities Domain



CSR Activity Promotion Structure

Shiseido's CSR activities are deliberated and discussed by the CSR Committee and Compliance Committee under the direct management of the Board of Directors in order to steadily promote CSR activities unique to Shiseido that will lead to enhancing corporate value. To ensure expertise, fairness and transparency, external committee members and a Shiseido labor union committee chairman representing Shiseido employees are included as members of both the CSR Committee and the Compliance Committee.

Committee Organization



Objectives of Committee under the direct jurisdiction of the Board of Directors

CSR Committee

The CSR Committee verifies if Shiseido's CSR activities are in line with requests from stakeholders or demonstrating originality, thereby identifying future issues and requesting departments in charge to prepare plans. Additionally, the Compliance Committee clarifies direction from a company-wide perspective regarding issues related to "CSR activities that are unique to Shiseido," which are contributing to Shiseido businesses and playing a leading role in its corporate activities.

Compliance Committee

The Compliance Committee receives reports of the CSR Action Plan from relevant departments in charge with regard to Basic CSR, which minimizes risks and enhances Shiseido's corporate value and clarifies direction from a company-wide perspective.

Specific activities of committees under the direct authority of the Board of Directors

CSR Committee

Implementation of CSR verification

The CSR verification scheme advances various Shiseido activities to meet social requirements. Discussions are repeated at committee meetings under direct jurisdiction of the Board of Directors considering various concerns including society's demands, the impact on society, Shiseido's ability or inability to address particular issues and risks of failure to respond. These verifications started as of fiscal 2005 and have been promoted according to the following procedures from fiscal 2009.

Promotion procedures

<Step 1> Identify items required by society

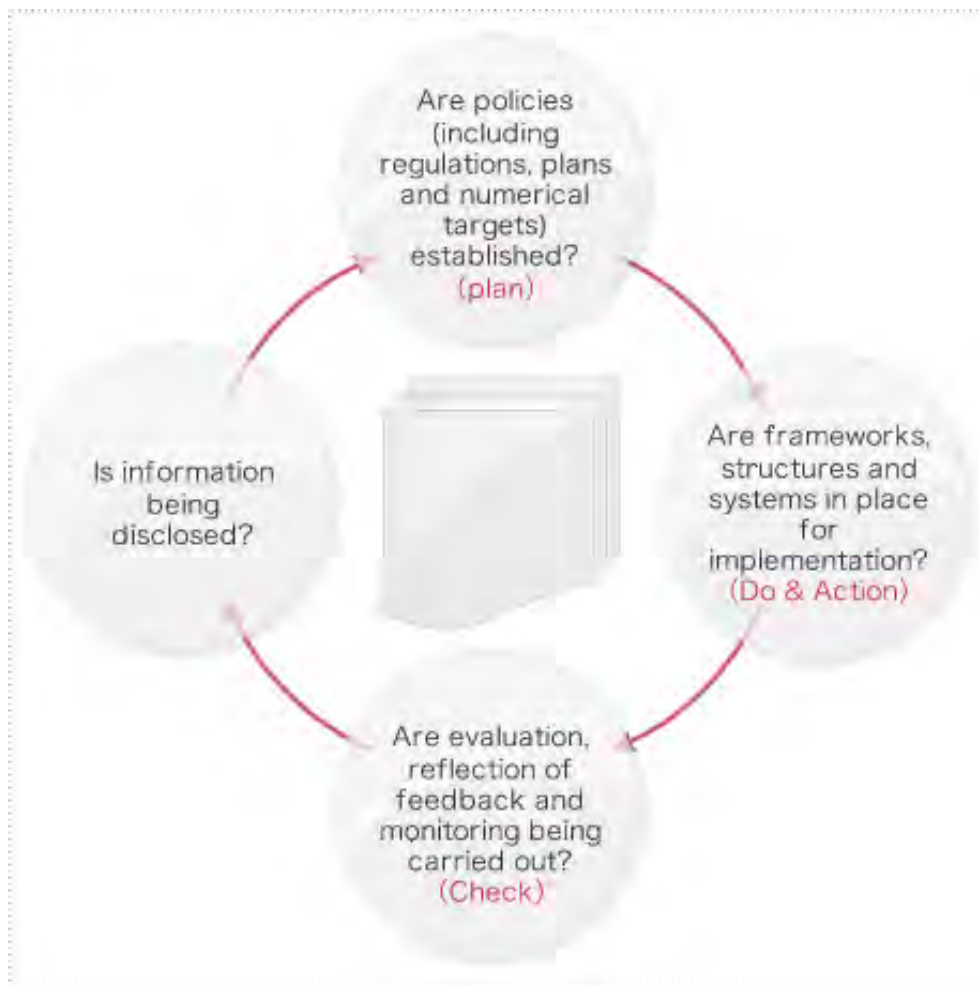
79 items are categorized into the 8 domains of 1) corporate governance, 2) human rights, culture and customs, 3) work environment, 4) environment, 5) ethics and compliance, 6) risk and crisis management, 7) quality control of products and services, and 8) solutions regarding social issues. These items extensively cover all (approximately 250) of the survey items from major SRI evaluation survey institutions as well as items of GRI guidelines and ISO 26000, in which discussions are currently promoted on an international basis.

<Step 2> Scoring to measure social impact and verify risks

In order to determine whether or not they will need to be addressed as "social issues" that capture global attention, the above items are scored from the perspective of "Top 35 Social Issues" (research results by InterRisk Research Institute & Consulting, Inc.), "currently under discussion by congress/enforcement law proposal," "Japanese government policies and strategies," "trends in international codes and treaties" and "themes of discussions at United Nations institutions."

<Step 3> Identify activities that are not or cannot be addressed by Shiseido

In order to clarify what kinds of approaches are being pursued internally to address these items, each and every item is evaluated by obtaining feedback from respective departments in charge and jointly conducting verifications from the four standpoints of "whether or not policies including regulations, plans, numerical targets and goals are established," "whether or not frameworks, structures and systems are established for implementation," "whether or not evaluation, consideration and monitoring are being conducted" and "whether or not information is disclosed internally and externally."



<Step 4> Create risk table (prioritize items to be promoted)

Evaluate each item by categorizing into one of four stages from 0 to 3 points, and clarify extent, if the Company fails to respond, to which respective activities have impact on "ensuring life safety (prioritizing physical safety and safety of life and living)," "sustainable operations (maintaining smooth operations)," "maintenance of sound financial status" and "maintenance of favorable corporate image." Thereafter, items with highest scores are multiplied by social issues to prioritize items that should be promoted. These items are then compiled into a risk table.

At Shiseido, these verification results determine issues to be deliberated at the committee under direct authority of the Board of Directors. Main issues for deliberation in the fiscal year ended March 2010 included efforts regarding the preservation of biodiversity (CSR Committee), reduction of animal testing (Compliance Committee) and securing safety of products and services (initiatives directed toward indicating manufacture dates; Compliance Committee).

Clarify the direction of issues related to CSR that are unique to Shiseido

The committee is conducting deliberation related to CSR activities unique to Shiseido, including the SHISEIDO QUALITY OF LIFE BEAUTY PROGRAM, activities related

to supporting women and gender equality, and receiving reports from relevant departments in charge. During the fiscal year ended March 2010, various subjects including "efforts toward biodiversity" were examined, in which internal promotion procedures were clarified while the Company started to introduce them to its business partners by incorporating relevant items into the Shiseido Group Supplier Code of Conduct.

Compliance Committee

Clarify the direction of issues regarding Basic CSR

In order to minimize risks and enhance Shiseido's corporate value, the committee checks CSR Action Plans submitted by respective departments and provides oversight while also discussing new issues based on requests from the CSR Committee.

Formulation and revision of THE SHISEIDO CODE and associated rules, and promotion of establishment of THE SHISEIDO CODE

The committee formulates and revises THE SHISEIDO CODE and associated rules by accurately assessing internal and external circumstances. Additionally, the committee promotes awareness-raising and enlightenment activities to enable all employees who are working in the Shiseido Group to share the corporate philosophy and ethics to fully implement THE SHISEIDO CODE.

TOP > [What is Shiseido CSR?]Participation in the United Nations Global Compact

Participation in the United Nations Global Compact

Shiseido declaration of participation in the United Nation Global Compact as of 2004

Initiatives Related to the United Nations Global Compact

In September 2004, Shiseido announced that it was joining the United Nations Global Compact, declaring that it would voluntarily work to solve problems and create an international framework for realizing a sustainable society.

As a specific example of our initiatives in this area, in March 2006 we adopted the *Shiseido Group Supplier Code of Conduct*, a series of standards governing Shiseido procurement activities, based on the Global Compact's [ten principles](#). In this way, we have joined our business partners in making a commitment to society to pursue procurement activities based on high ethical standards.

In the area of human rights, we continue to pursue initiatives in the context of our own corporate activities. In addition, we joined the CEO Statement, an initiative launched by the Global Compact on the 60th anniversary of the Universal Declaration of Human Rights in December 2008, as part of our program of support for the Global Compact. The statement declares to the world, "We also reiterate our own commitment to respect and support human rights within our sphere of influence. Human rights are universal and are an important business concern all over the globe."

In the area of environmental activities, we have announced our participation in Caring for Climate, a climate change initiative also being spearheaded by the Global Compact. In addition to striving to protect the environment in our own business activities, Shiseido is committed to offering support for, and actively participating in, international initiatives to address climate change.



Declaration of participation in the United Nations Global Compact's Initiative on Climate Change



United Nations Global Compact

Proposed by then-United Nations Secretary General Kofi Annan in 1999 at the World Economic Forum (a conference held in Davos, Switzerland), the United Nations Global Compact is a set of voluntary principles of action that are upheld by corporations, international labor organizations, and civil society. Participating organizations are required to support and practice **ten principles** in the four areas of human rights, labor, the environment, and anti-corruption, thereby contributing to more sustainable and comprehensive growth of the world economy. Approximately 7,760 organizations worldwide (as of October 2009) have declared their support of and participation in the United Nations Global Compact.

For more information, see
<http://www.unglobalcompact.org/>

*Ten principles of the Global Compact

Participant organizations of the Global Compact are asked to embrace, support and enact, within their sphere of influence, internationally approved principles in the areas of human rights, labor standards and the environment. While respective companies pursue their businesses, the aim of the Global Compact is to actively promote changes in the world through ensuring that these principles are abided by and implemented accordingly. There are currently 10 principles including a principle related to anti-corruption, which was added in June 2004.

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Source: United Nations Information Center (UNIC) website

TOP > [Corporate Profile]

Corporate Profile

Corporate Data

● Name	Shiseido Company, Limited
● Head Office	Ginza 7-5-5, Chuo-ku, Tokyo 104-0061
● Telephone	+81-3-3572-5111
● Established	1872
● Capital	¥64.5 billion (as of March 31, 2009)
● President and CEO	Shinzo Maeda
● Net Sales	Consolidated: ¥644.2 billion (For the year ended March 31, 2010) Non-consolidated: ¥244.5 billion (For the year ended March 31, 2010)
● Number of Employees	3,573 [1,876] (Group 28,968 [11,161]) <small>* Number of employees as of March 31, 2010. Figures in parentheses indicate additional temporary employees, reported as an average for the business year under review. The number of temporary employees includes part-time and short-term contract employees but does not include temporary workers from staffing agencies. (as of March 31, 2010)</small>
● Shiseido Group	100 companies (included in the consolidated report: 26 domestic, 71 overseas, 3 affiliated companies) (as of March 31, 2010) <small>* Excluding Shiseido Company, Limited</small>

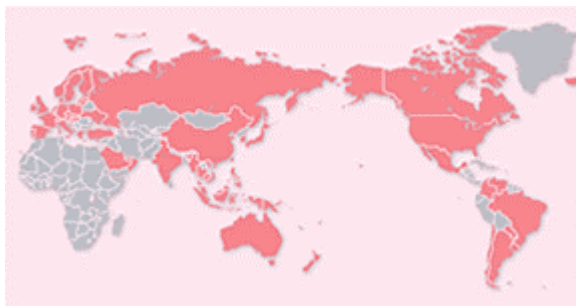
Overview of Business * as of March 31, 2010

● Domestic Cosmetics Business	Cosmetics Division Professional Division Healthcare Division and others
● Overseas Cosmetics Division	Cosmetics Division Professional Division
● Others	Frontier Science Business and others

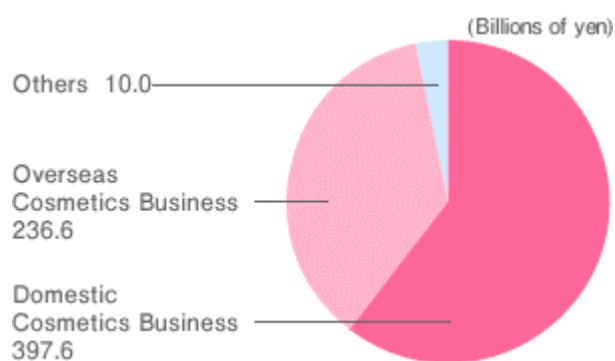
* Please refer to the following website for details on each business:

For more information, see
[http://www.shiseido.co.jp\(Japanese only\)](http://www.shiseido.co.jp(Japanese only))

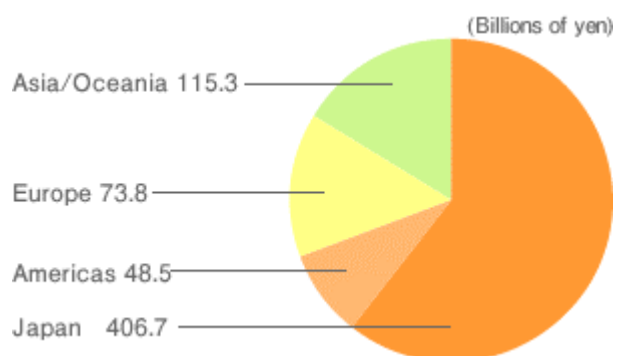
- Domestic Bases Manufacturing bases: 4 sites
R&D bases: 2 sites
- Overseas Bases Overseas business sites: 74 countries
Overseas manufacturing bases: 11 sites
(Taiwan, China, U.S., France, Vietnam)
Overseas R&D bases: 7 sites
(China U.S., France, Thailand)



● Consolidated Net Sales by Business Segment
(For the year ended March 31, 2010)



● Consolidated Net Sales by Geographic Segment
(For the year ended March 31, 2010)



TOP > [Management Structures] Corporate Governance

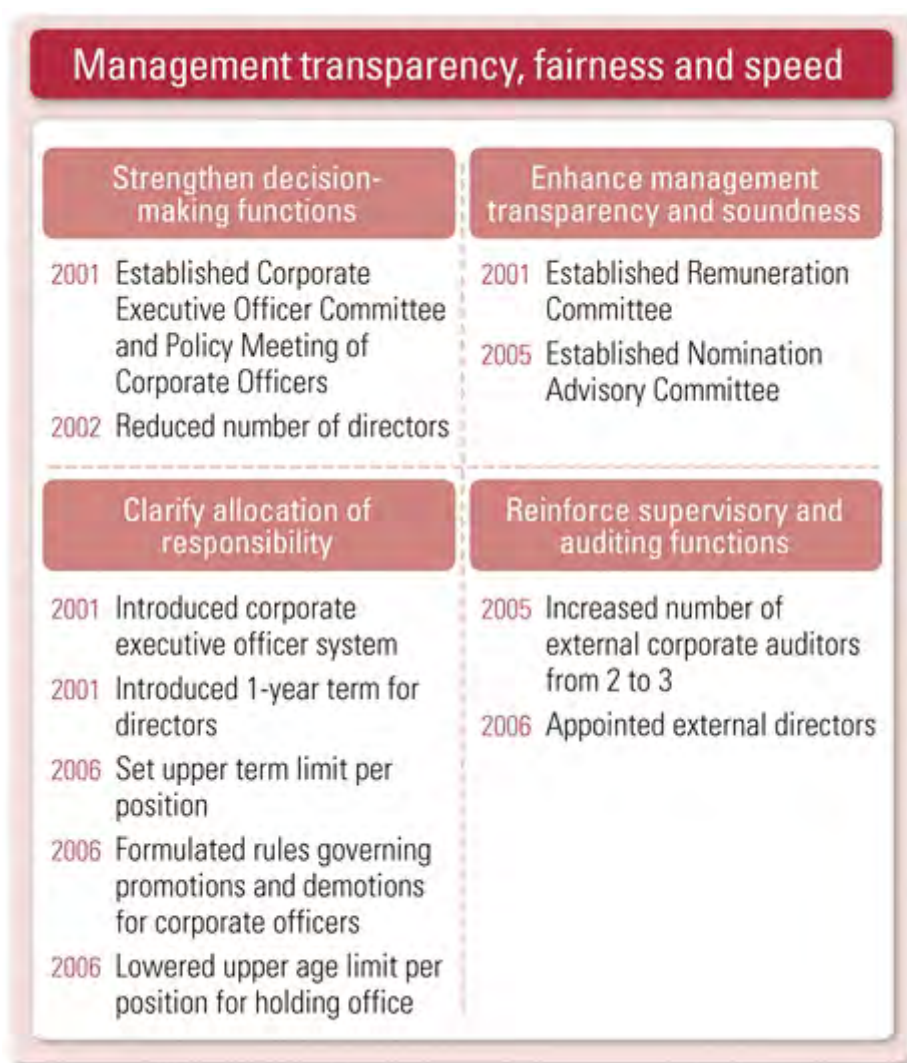
Corporate Governance

Shiseido is taking proactive steps to bolster its corporate governance standards based on the recognition that the continued support of stakeholders who view it as a "company with value" leads to enhanced Shiseido corporate brand value.

Corporate Governance Basic Policy

Shiseido is setting higher standards of corporate governance based on the understanding that maximizing corporate and shareholder value, fulfilling social responsibilities and achieving sustainable growth and development are key to maintaining support as a valuable company from all stakeholders (customers, business partners, shareholders, employees and society).

Overview of Corporate Governance Reforms



Management and Execution Structure

Shiseido has selected a corporate auditor structure with double check functions for business execution: supervision by the Board of Directors and audits of legality and adequacy by the Board of Auditors.

Since adopting a corporate executive officer system in the year ended March 2002, Shiseido has worked to reform corporate governance by strengthening decision-making functions, enhancing management transparency and soundness, clarifying the allocation of responsibility and reinforcing supervisory and auditing functions. Shiseido strengthens these functions by integrating the outstanding features of a company of committees with the corporate auditor structure.

The Board of Directors is composed of eight members including two external directors. The small number of members facilitates rapid decision making. The Board of Directors meets at least once a month to discuss all significant matters. Attendance for external directors at the 15 Board of Directors' meetings in the year ended March 2010 averaged 86.7 percent. Attendance for other directors was 100 percent.

Through the adoption of a corporate executive officer system, we are separating the decision-making and supervisory functions of the Board of Directors from the business execution functions of corporate officers. The Corporate Executive Officer Committee, which acts as the final decision-making body regarding material issues, furthers the transfer of authority to corporate officers and accelerates operational decision making. Shiseido's President & Chief Executive Officer chairs this Committee. The term of office of directors is one year, and the term limit of corporate officers is four years per position in principle and six years maximum.

To obtain an outside point of view and further strengthen the Board of Directors' supervisory function in regard to business execution, Shiseido appointed two external directors from the year ended March 2007. Having external directors has stimulated discussion at Board of Directors' meetings and strengthened its supervisory capabilities. Furthermore, Shiseido has designated two external directors as independent directors and three external auditors as independent auditors pursuant to the Tokyo Stock Exchange's Securities Listing Regulations.

In addition, Shiseido is actively promoting diversity among directors in such ways as appointing individuals who have built careers outside of Shiseido. Wide perspective and advanced insight will promote objectivity and strengthen the Board's supervisory and decision-making functions. We are also handpicking a small and able group of executive officers in addition to promoting younger members.

To increase transparency and objectivity in management, Shiseido established two committees to play an advisory role to the Board of Directors: the Remuneration Committee, which recommends executive remuneration levels, and the Nomination Advisory Committee, which conducts various duties including proposing the list of candidates for directors and corporate officers. Both committees are chaired by external directors to maintain objectivity.

Additionally, since the June 2008 General Meeting of Shareholders, Shiseido has publicly disclosed aggregated results of voting at the meetings.

The Company's System for the Management and Execution of Business



Audit Structure

Shiseido's Board of Auditors consists of two standing corporate auditors and three external corporate auditors. Corporate auditors monitor the legality and adequacy of directors' performance by attending Board of Directors' meetings and other important meetings. Representative directors and corporate auditors meet regularly to exchange opinions and resolve corporate governance issues. Shiseido maintains a framework to ensure that corporate auditors discharge their duties effectively. For example, the Company arranges liaison meetings with the accounting auditors and the Internal Auditing Department in addition to assigning full-time staff to assist in audits. Corporate auditor attendance for the 14 Board of Auditors meetings held in the year ended March 2010 was 100 percent. For external corporate auditors, attendance at Board of Directors meetings was 88.9 percent and for standing corporate auditors, attendance was 100 percent.

Internal audits of the entire Group are conducted to ensure that business is executed in an appropriate manner, and audit results are reported to the Board of Directors and Board of Auditors.

Remuneration to Directors, Corporate Officers and Corporate Auditors

Remuneration for directors and corporate officers consists of a basic fixed portion and a performance-linked portion that fluctuates depending on achieving management targets and share price. Effective the year ended March 2009, the performance-linked portion has been revised upward to 60 percent of remuneration. Performance-linked remuneration consists of a bonus based on annual consolidated results, medium-term remuneration based on the achievement of the final year targets of the Three-Year Plan, to be paid at the culmination of the plan, and stock options as long-term incentive, primarily aimed at fostering a shared awareness of profits with shareholders. Performance-linked remuneration is designed to give directors and corporate officers a medium-to-long-term perspective, not just a single-year focus, and to motivate management to become more aware of Shiseido's performance and share price. External directors receive only basic fixed remuneration because of the importance of a stance independent from business execution in their supervisory functions. Due to the nature of auditing, corporate auditors receive fixed basic remuneration only, to eliminate linkage with performance.

Basic remuneration for directors and corporate auditors is within the monthly remuneration limits decided by the General Meeting of Shareholders; performance-linked remuneration, including the bonus, medium-term remuneration and long-term incentive stock options, is also set on a case-by-case basis by resolution at the General Meeting of Shareholders.

Remuneration to Directors and Corporate Auditors for the Year Ended March 2010

(Millions of yen)

	Basic	Bonuses	Stock options	Total
Directors (10)	281	142	101	525
External directors (2 of the 10)	26	—	—	26
Corporate auditors (6)	96	—	—	96
External auditors (4 of the 6)	36	—	—	36
Total	377	142	101	621

Notes

1. In addition to the above payments, for the year ended March 2010 Shiseido recognized an expense of ¥7 million for stock options granted to three directors at the time served as corporate executive officers but not concurrently as directors.
2. In addition to the above payments, for the year ended March 2010 Shiseido paid ¥38 million in performance-linked remuneration, in connection with the previous Three-Year Plan that ended March 2008, to one director at the time he served as a corporate executive officer but not concurrently as a director.
3. In addition to the above payments, for the fiscal year ended March 2010 three subsidiaries paid ¥27 million in basic fixed remuneration and ¥9 million in bonuses to two Shiseido directors who concurrently served as directors of these subsidiaries.
4. Shiseido provided no additional compensation to directors and corporate auditors other than the above executive remuneration, including the remuneration described in Notes 1 through 3.

Remuneration by Type to Representative Directors and Directors Whose Total Remuneration Exceeded ¥100 Million for the Year Ended March 2010

(Millions of yen)

	Basic	Bonuses	Stock options	Total
Shinzo Maeda Representative Director	49	35	36	121
Kimie Iwata Representative Director	37	18	10	66
Carsten Fischer Director	77	50	13	141

Notes

1. In addition to the payments above, the Company recognized an expense totaling ¥2 million for the year ended March 2010 for stock options granted to Director Carsten Fischer at the time he was a corporate executive officer and not concurrently a director. The Company also paid the same director ¥38 million for the year ended March 2010 as performance-linked remuneration, in connection with the Three-Year Plan ended March 2008, for the period he was a corporate executive officer and not concurrently a director.
2. The above three directors do not receive any remuneration other than that presented in the above table and amounts referred to in Note 1.

Remuneration to Accounting Auditors for the Year Ended March 2010

(Millions of yen)

Item	Amount
Remuneration paid for services rendered as accounting auditors for the fiscal year under review	152
Total cash and other remuneration to be paid by the Company and its subsidiaries to their accounting auditors	185

Notes

In the audit contract between the Company and its accounting auditors, remuneration paid for audits under the Corporate Law and audits under the Financial Instruments and Exchange Law are not clearly distinguished and cannot be practically separated. Therefore, the total payment for both is shown in "Remuneration to Accounting Auditors" above.

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TOP > [Management Structures] Shiseido's corporate ethics

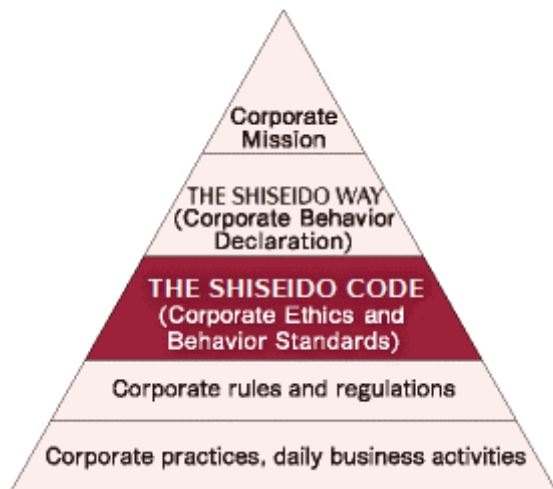
Shiseido's corporate ethics

Shiseido's corporate ethics activities aim to establish the company as a distinctive presence, one that is of use to and needed by people worldwide, through strict compliance with laws and regulations and by raising the value of Shiseido Group brands.

CSR Activities Based on *THE SHISEIDO CODE*:

THE SHISEIDO CODE is a set of specific corporate ethics and behavior standards that every employee should follow for realizing the Corporate Mission and THE SHISEIDO WAY (Corporate Behavior Declaration) and forms the basis of Shiseido's CSR activities. It provides behavioral guidelines aimed at forging a strong relationship of trust between stakeholders and the company. The content of THE SHISEIDO CODE is disclosed to the public via [the corporate website\(Japanese only\)](#).

The Position of *THE SHISEIDO CODE*



THE SHISEIDO CODE

Corporate Ethics Activities Follow a PDCA Cycle

The Compliance Committee (established in 1997 as the Corporate Ethics Committee) plays the central role in promoting Shiseido's corporate ethics activities, and is appointed by Code Leaders at each domestic site and by Business Ethics Officers (BEOs) at overseas sites to facilitate the implementation of THE SHISEIDO CODE.



Code Leader Activities

Shiseido has placed about 500 Code Leaders in positions in all domestic divisions and worksites. Selected according to individual worksite characteristics regardless of position, gender, and age, these individuals create action plans for their worksites and conduct educational and training activities following the PDCA (Plan, Do, Check, Act) Cycle. The Company seeks to share information and utilize it in the formulation of action plans for the upcoming year by introducing examples of successful activities and annual reports on each worksite's initiatives in the *Code Letter* magazine and the *Shiseido Corporate Ethics White Paper*. The Company hosts informal gatherings where Compliance Committee members can meet with Code Leaders from around Japan as well as Code Leader Discussions where managers and Code Leaders from individual worksites can meet to improve communication, identify workplace issues, and help create a better workplace.

Code Leader activities in the fiscal year ended March 2009 revolved around the theme of "creating a company culture conducive to good internal communications."

Activities in the fiscal year ended March 2010 revolved around improving the workplace environment based on the theme of "development of capable personnel and an appealing workplace."

Activities for the fiscal year 2010 are currently underway in all domestic business locations under this year's theme that continues to focus on the "development of capable personnel and an appealing workplace."



A Code Leader Discussion
(held in August 2010)



Company poster introducing Code Leaders

voice

Promoting Reforms Unconstrained by Common Practices with the Aim of Realizing the Ideal Workplace

Osaka Factory
Code Leaders



Participation in Code Leader Meeting by General Manager, Administration Manager, Code Leaders and Sub Code Leaders of Osaka Factory (January 2010)

Various reforms are being promoted at the Osaka Factory. In addition to a shift toward working in a standing position for production activities (moving away from working in a sitting position) while firmly establishing 2S activities directed toward thoroughly eliminating all forms of waste, the working environment at the factory is undergoing a major transformation via breakthrough reforms that are unconstrained by common practices.

As a means of resolving various issues related to these changes, various activities are being developed centered on Code Leaders and Sub Code Leaders with the aim of developing capable personnel and an appealing workplace by gathering a broad range of opinions.

Human Rights Awareness and Corporate Ethics Training

To ensure that THE SHISEIDO CODE is followed at all levels of the organization, Shiseido requires all employees and directors to undergo human rights awareness and corporate ethics training at least once each year.

(1) Training for new Code Leaders (once a year)

These overnight group training sessions combine lectures by Company and outside instructors with participatory programs and are held to help trainees master the corporate ethics knowledge they will need as Code Leaders.

(2) Position-specific training (once a year)

During fiscal year ended March 2010, President & CEO Mizue Tsukushi of Good Bankers Co., Ltd. lectured directors, general managers of Head Office departments and presidents of affiliated companies about how CSR activities enhance corporate value from the perspective of SRI investors. Also, training was conducted aimed at reinforcing among managers of overseas worksites the importance of CSR and environmental initiatives, which are designated as Shiseido's core management initiatives, as well as promotion of a hotline system. In other areas, joint training was conducted according to respective goals.

(3) Workplace-specific training for all employees (once a year)

In the fiscal year ended March 2010, training was conducted for the Head Office and business locations nationwide based on the theme of "considering the thoughts of colleagues - creating a workplace where there is no harassment." This training included DVD viewing and group research to nurture an awareness of human rights and ethics among participants.

Compliance with Japan's Whistleblower Protection Act and Corporate Ethics Help Line

In order to comply with the Whistleblower Protection Act passed in April 2006 and ensure that any illegal acts in the Company are resolved internally before they become serious, the Company is providing training for people in charge and distributing pamphlets to all employees as part of an effort to promote widespread knowledge of two entities for reporting (counseling) ethics concerns: the in-house Shiseido Consultation Office and the Shiseido External Consultation Office, which is located at a law firm. The Company also has created and publicized to employees a set of Shiseido Group Consultation Office Regulations setting forth an impartial means of investigating and resolving complaints and clearly prohibiting prejudicial treatment of whistleblowers (as well as individuals seeking advice).

The Shiseido Consultation Office welcomes individuals seeking advice on a wide range of topics, relating not only to *THE SHISEIDO CODE* but also to the Company's business and operations in general. The Office has worked to quickly resolve 223 inquiries in the year ended March 2010, bringing the total since April 2000 to 1,355.

The Company also has distributed an Ethics Card to all employees, including employees dispatched from employment agencies.

The Ethics Card features various information including contacts for the aforementioned work-related consultation inside and outside the Company, as well as Mental Health Consultation (internal) and Shiseido Health Support Dial 24 (external) for advice related to mental and physical matters.



Internal pamphlet
about the Shiseido Consultation
Office



Ethics Card

Identifying Issues and Taking Steps to Implement Improvements

Shiseido has conducted an annual Employee Awareness Survey since 1998 in which participants are asked to respond to questions designed to gauge their attitudes toward their jobs and the Company, as well as the extent to which *THE SHISEIDO CODE* is followed. Results of the survey are applied to the Company's activities.

The survey covers all employees, including temporary contract employees and employees dispatched from employment agencies, to reflect increasing diversity in the Company's employment pattern.

Improvements in identified issues will be implemented through training or Code Leader activities, thereby promoting the development of capable personnel and an appealing workplace.

Issues and improvement measures in the fiscal year ended March 2010

Adherence to THE SHISEIDO CODE

While the level of understanding and practices improve every year, violations also occur. Therefore, efforts are under way to enable respective individuals to deepen their understanding by reading *THE SHISEIDO CODE* together with Code Leaders at their respective workplaces.

Reviewing Internal Rules Governing Gift Exchanges and Business Entertainment

In order to promote fair and transparent transactions with business partners such as suppliers and customers, THE SHISEIDO CODE allows gift exchange and business entertainment practices as required, so long as they fall within socially appropriate bounds. This approach was further clarified with the adoption in 1998 of a set of operational standards for individual departments and affiliates in the form of the "Internal Regulations for Gift Exchanges and Business Entertainment." The Company has since worked to implement those rules.

Responding to increased social awareness of the need for fair and transparent transactions in recent years, the Gift Exchange and Business Entertainment Subcommittee of the Compliance Committee capped a lengthy investigation into the matter by reviewing the Company's regulations by confirming their continued suitability and has further undertaken measures in the fiscal year ended in March 2008 to strengthen its associated management structures. In addition to introducing new rules in the form of Gift Exchange Expenditure Authority Guidelines and a reporting requirement for employees receiving gifts or being treated to business entertainment, the subcommittee reviewed department- and affiliate-specific Gift Exchange and Business Entertainment Guidelines.



Company poster informing employees about the review of gift exchange and business entertainment policy

Risk management at Shiseido

The basic policy of Shiseido risk management is to enhance the Company's brand value by ensuring stakeholders' trust through various initiatives. These include social contributions in the event of disasters while placing the highest priority on ensuring the safety of employees and their families (respect for human life) as well as preserving corporate assets and sustaining operations. In addition to minimizing the effects of manifest risk, Shiseido believes that eliminating social loss to the best of its ability and acting responsibly to contribute to society will enable it to fulfill its social responsibility and ultimately enhance its corporate value.

Shiseido established the Compliance Committee to undertake company-wide management of all risks and compliance related to corporate activities, thereby promoting various measures to prevent risks from occurring. Additionally, the Company adopted a system whereby manifest risks are addressed by organizations at various levels including countermeasure headquarters, countermeasure projects and countermeasure teams.

In addition to responding to risks that have occurred, the Company also creates risk maps for visualizing potential risks from the standpoint of prevention. We identify

corporate risks from eight domains including corporate governance, human rights and labor practices, and map these risks using the two axes of "significant effects on corporate management" and "degree of social attention." While checking in detail as to whether or not a measure has been taken for each risk map, the departments in charge will create action plans for unaddressed risks and those that need to keep being addressed, thereby ensuring that the PDCA cycle is in place.

■ **Business Continuity Plan and Employee Earthquake Manual detailing action to be taken in the event of a major earthquake or the outbreak of a virus.**

Shiseido has established a Business Continuity Plan (BCP) spelling out how important operations would be restored and carried on in the event of disasters including major earthquakes and new strains of influenza, in a manner that would allow the Company to minimize damage and resume operations at the earliest possible opportunity.

With regard to new strains of influenza causing human suffering, the Company has established responses by level, including temporary business suspension, to address various conditions from strong toxicity to weak toxicity. The Company also formulated the Employee Action Guidelines for New Strains of Influenza Countermeasures, which compiles standards of action for operations by level, and introduced them on the Intranet in order to raise employee awareness and enable employees to respond calmly under such circumstances. Additionally, the Company published a booklet to heighten employee awareness about earthquakes and new strains of influenza, which are disasters that have a high possibility of occurring. The Company distributed to all employees an earthquake safety action manual detailing actions to be taken when earthquakes occur, disaster prevention measures and the experience of the Great-Hanshin Awaji Earthquake disaster. In response to new strains of influenza, the New Strains of Influenza Countermeasures Manual was created and distributed to all employees to inform them of basic knowledge, prevention methods and what to do when symptoms appear.



Employees action guidelines for *New Strains of Influenza Countermeasures*



New Strains of Influenza Countermeasure Manual
(Front cover)



New Strains of Influenza Countermeasure Manual (Contents)



Earthquake safety
action manual

TOPICS

Shiseido Wins the 2009 Integrity Award Grand Prize and Delivers Integrity Award Grand Prize Recipient Address

On March 17, 2009, Shiseido received the 2009 Integrity Award Grand Prize from the Integrity Award Council. The award recognizes companies with exceptional internal control and compliance systems that pursue advanced initiatives.

Shiseido was selected by the Council from 13 candidates for the award, from a shortlist of companies that were initially selected from the 744 corporations that responded to the 8th IntegreX Survey on Company Integrity and Transparency (Morality and Social Responsibility). The survey was sent out during the second half of 2008 to each of Japan's 3,891 publicly held companies. In selecting Shiseido to receive this award, the Council pointed to the explicit commitment to social responsibility on the part of the Company's management, and efforts to clearly state its stance on related issues to stakeholders by articulating and making publicly available its corporate mission, THE SHISEIDO WAY (a corporate behavior declaration), and THE SHISEIDO CODE (corporate ethics and code of conduct standards).

After the award ceremony, President Maeda delivered an address entitled "Corporate Ethical Compliance at Shiseido" from the company's perspective as a winner of the Integrity Award Grand Prize. The audience of nearly 170 attendees included organizational sponsors and representatives responsible for internal control systems in their companies.

A summary of Address by Shinzo Maeda, President & CEO, Shiseido Company, Limited, follows:

I am grateful for the privilege of receiving this award and sobered by the honor. In order to fulfill its corporate mission of "We seek to identify new, richer sources of value and using them to create a beautiful lifestyle," Shiseido maintains mechanisms for pursuing its operations based on The Shiseido Way, a declaration of behavior that we have made to all stakeholders, and The Shiseido Code, a corporate ethics code of conduct that all employees must observe. We have also placed Code Leaders in all domestic workplaces, where they lead efforts to ensure that our operations are rooted in ethical compliance. Other means by which we strive for transparency in the area of corporate ethics include an employee satisfaction survey for all employees once a year; multiple reporting and counseling entities, including outside attorneys, geared to facilitate the early discovery and resolution of ethical irregularities; and efforts to ensure transparency and diversity in our management.

However, we believe that more important than creating mechanisms such as these is our employees' desire to do what is right for the company and their pride as Shiseido employees. For more than 30 years, Shiseido has offered Beauty Seminars at facilities for senior citizens and individuals with disabilities as a way of practicing its corporate message of "This moment. This life. Beautifully." I've been participating in that program myself since last year, and starting in April, all employees will participate. We believe these activities help spread an awareness of our mission and engender a sense of ethics by giving employees a chance to experience the deeply revitalizing effect that cosmetics can have on people's emotional well-being, share an understanding of Shiseido's social significance, and gain new motivation for their work. Going forward, we are committed to living up to this award by continuing to fulfill our social responsibilities.



Council chairman Eisuke Nagatomo (left) and Shiseido President Maeda Shinzo (right) at the award ceremony



Giving the Integrity Award
Grand Prize Recipient Address
"Corporate Ethical Compliance at Shiseido"

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TOP > [Activities taking advantage of Shiseido's core business]

Activities taking advantage of Shiseido's core business

Since its founding, Shiseido has sought to harness the results of its accumulated beauty-related research for both products and services to help each and every customer achieve the beauty they desire through a process of physical and emotional enrichment. In particular, we have actively promoted initiatives to support improvements in quality of life (QOL) through the SHISEIDO LIFE QUALITY BEAUTY PROGRAM, in which Shiseido provides distinctive beauty products and services to individuals with certain skin, physical and emotional concerns. Under this program, Shiseido carries out SHISEIDO LIFE QUALITY MAKEUP at the SHISEIDO LIFE QUALITY BEAUTY CENTER which was established in the Tokyo Head Office building in Ginza to provide makeup services for people with skin concerns such as birthmarks, vitiligo and skin irregularities. Also, the SHISEIDO LIFE QUALITY BEAUTY SEMINAR provides skincare and makeup services at welfare facilities for the elderly and facilities for persons with disabilities. These activities are being developed worldwide beginning with China.

TOPICS

SHISEIDO LIFE QUALITY BEAUTY PROGRAM Receives "Beauty with Heart Prize" Corporate Philanthropy Award Special Prize

Since its foundation, Shiseido has sought to realize the beauty that each and every customer desires by utilizing accumulated research results both in terms of beauty-related products and services with the aim of enriching people's hearts and minds. As part of such efforts, Shiseido is promoting the SHISEIDO LIFE QUALITY BEAUTY PROGRAM.

This program was recently recognized by the Japan Philanthropic Association as activities that "realize corporate philanthropy that nurtures a sense of responsibility and pride toward one's own work." Accordingly, Shiseido received the "Beauty with Heart Prize" Corporate Philanthropy Award Special Prize (Japanese only).

Marking the seventh occasion of bestowing this honor, the Corporate Philanthropy Award was established by the Japan Philanthropic Association (Director: Yoko Takahashi) in 2003, in which awards are presented to companies or projects that have made a contribution in terms of resolving social issues or promoting sound social development. Selection criteria is based on three key points, namely, whether or not initiatives have a "community" or social nature as corporate activities that place a priority on relevant aspects including human rights and the environment; whether or not initiatives have a "pioneering spirit" that will create new social values by rejecting stereotypes or preconceptions; and whether or not initiatives have a broad "impact" as new 21st century business models.

The award-winning SHISEIDO LIFE QUALITY BEAUTY PROGRAM features activities that are being well received by many customers in Japan and overseas, whereby Shiseido employees offer various services including providing makeup advice free of charge for individuals with serious skin or emotional concerns. Furthermore, these activities enable participating employees to closely observe a change in customers' faces into lively expressions by means of Shiseido's products and services. This opportunity is also a moment in which they can realize that their work is contributing to society. Shiseido has continuously promoted these activities over many

years by realizing that the cumulative effect of such initiatives will also nurture highly motivated employees who possess a wide spectrum of social values as well as a strong affinity and knowledge toward Shiseido products and business operations. Shiseido considers that being awarded this recent honor is the result of garnering high recognition in terms of nurturing responsibility and pride toward such work. In order to remain true to the ideals of this award, all employees of Shiseido in Japan and overseas will continuously undertake concerted efforts to bring a smile to the faces of customers we encounter throughout the world by utilizing Shiseido's "power of cosmetics."



Corporate Officer Takafumi Uchida of Shiseido Company, Limited receives testimonial award from Japan Philanthropic Association Director Yoko Takahashi (left)



The presentation event

TOP > [Activities taking advantage of Shiseido's core business:Shiseido Life Quality Beauty Center]

Activities taking advantage of Shiseido's core business :Shiseido Life Quality Beauty Center

SHISEIDO LIFE QUALITY BEAUTY CENTER Initiatives

<http://www.shiseido.co.jp/slqc/> (Japanese only)

These activities are geared to help beautify both the skin and hearts of customers who are deeply concerned about their skin, helping to improve their quality of life by providing optimal products and beauty techniques.

Until now, Shiseido has worked in partnership with medical institutions to provide makeup advice for customers with skin disorders or scarring, while developing Perfect Cover Foundation, a product specifically designed to conceal birthmarks and other blemishes. In June 2006 we established the SHISEIDO LIFE QUALITY BEAUTY CENTER at our Head Office building in Tokyo's Ginza district to further broaden these activities. Staff members who have undergone a special program of on-the-job training and practical training at medical institutions help people with concerns about skin color due to birthmarks, vitiligo<*>, skin irregularities, and other conditions by providing free-of-charge makeup advice and instruction in how to conceal blemishes with cosmetics. Available by appointment only, services are provided in a private setting so that customers can relax and learn with peace of mind. Individuals who have visited the Center describe how they have a new sense of confidence and hope and speak of how they look forward to enjoying cosmetics now that they know how to conceal blemishes in an attractive way.

Business partners and medical institutions around Japan who have been trained in the Center's techniques have been introducing their customers and patients.

(As of March 31, 2010, there were 369 organizations participating in this program.)

* Vitiligo is an acquired skin condition characterized by pigment loss causing white areas in the hands, feet, and other areas. Its cause is unknown.



Customers receive makeup advice in the clean, relaxed setting of a private room.



Shiseido's Perfect Cover Foundation series is an effective way to address skin color concerns and cover skin irregularities.

voice

Makeup Advice Working in Partnership with Conventional Treatment

Dr. Ayako Ikejima
Assistant Professor
Department of Dermatology, Juntendo University School of Medicine



The number of options available for the treatment of vitiligo has increased considerably. Nonetheless, it's by no means unusual to encounter cases where patients have been forced to discontinue treatment because they are dissatisfied with the results or find that it takes an excessive toll on their skin. In such cases, I believe that makeup plays an extremely important role as a complement to medical skin care. Although it lacks subjective symptoms such as itchiness and pain, vitiligo poses significant beauty-related challenges, and many patients experience significant psychological stress as a result. Makeup is not a fundamental mode of treatment, but I believe that it does provide an important option by virtue of its ability to improve patient quality of life. The joyful reaction of the patients I've introduced to SHISEIDO LIFE QUALITY BEAUTY CENTER, where they can receive makeup advice from professionals, is a testament to the efficacy of the therapy makeup approach. I think it's wonderful that the makeup advice offered by the Center is also available at other stores nationwide.

Activities That Inspire Joy in Customers

Keiko Nishiyama
Owner, NISHIKI (Yamanashi Prefecture)



When you meet a customer through the makeup advice program who is deeply concerned about their skin, you can sense their heartfelt joy. A customer with an angioma on her face to whom I introduced Perfect Cover Foundation told me with tears of joy in her eyes, "I love how easy it is to conceal my birthmark. Until now I've always envied people that could freshen their makeup at work or while they're out and about. I couldn't do that before, but now I can. It's like a dream come true." When a customer discovers that she has become more beautiful, her joy is contagious, and you can't help but smile along with her. I'm looking forward to valuing each and every customer that visits my store and working hard to bring them this joy.

TOPICS

Presentation of "Effects of Beauty (Esthetic) Treatment for Pregnant Women in Hospitals" at the Joint Conference of 5 Societies from the Psychosomatic Medicine Field in Japan

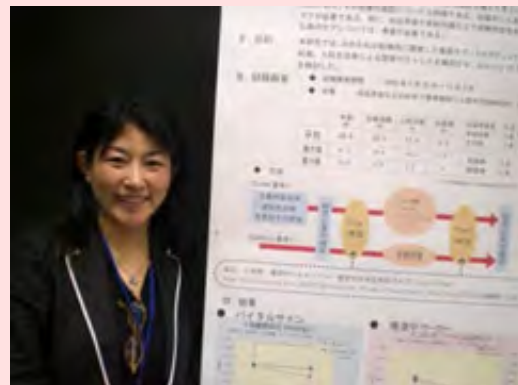
On June 6-7, 2009, the 1st Joint Conference of 5 Societies from the Psychosomatic Medicine Field in Japan took place at the Tokyo International Forum. The conference was held for the first time in Japan as a joint conference of five academic societies, including the Japanese Society of Psychosomatic Medicine, Japanese Society of Psychosomatic Obstetrics and Gynecology, Japanese Society of Psychosomatic Pediatrics, Japanese Society of Psychosomatic Dentistry and Japanese Society of Psychosomatic Internal Medicine, with the aim of further spreading psychosomatic medicine in Japan through active interaction among the respective five academic

societies.

During the joint conference, Shiseido presented its joint research results with Aiiiku Hospital regarding the "effects of beauty (esthetic) treatments for pregnant women in hospitals." Pregnant women are frequently experiencing various unpleasant symptoms, and those who are forced to rest and stay in the hospital particularly experience major anxiety and stress and require mental and physical support from all angles. To this end, Shiseido developed esthetic treatments for pregnant women, and subsequently carried out these treatments for pregnant women at a hospital and discussed its effects under the supervision of doctors, midwives and medical staff. As a result, a decrease in systolic blood pressure and increase of salivary S-IgA (immunity index in saliva) became evident along with improving pregnant women's emotional state and reducing their anxiety. This suggests the possibility of enhancing the quality of life (QOL) of pregnant women in hospitals through alleviating the strain and stress arising from factors such as pregnancy and hospital stays. Shiseido staff members were able to exchange opinions with various people after the presentation including doctors of obstetrics and gynecology and psychosomatic internal medicine. Shiseido will continuously undertake efforts to improve QOL through further promoting in-depth research to support the various concerns of many people, including pregnant women, as well as the elderly and cancer patients, through the power of cosmetics.



Research presentation at the joint conference



Presenter Ms. Maki Shirato and presentation panel

Cancer Charity Event Relay for Life

Relay for Life was initially launched in the United States as a campaign to heighten awareness of cancer with the aim of creating a society in which people are not afraid of this disease.

Cancer patients and their families as well as their supporters form teams and take turns promoting cancer prevention to society. Additionally, donations collected by individuals or each team for cancer prevention are donated to help support patients via the Japan Cancer Society. In Japan, *Relay for Life* began in 2006, and Shiseido has since been participating the event annually to support cancer patients and their families.

On September 12-13, 2009, *Relay for Life* was held in the Tohoku region for the first time at the Tohoku Electric Power Natori Sports Park Medeshima Stadium in Natori City, Miyagi Prefecture. In this event, a total of 15 Shiseido employees from Kita Nihon

Sales Division within the Tohoku branch office of Shiseido Sales Co., Ltd. and Social Affairs and Consumer Relations Department of the Head Office formed a team and walked as well as provided additional support through offering beauty care services.

With regard to beauty care, various services such as makeup application, hand care and foot massages were made available at ¥500 each with proceeds donated to the cause. Shiseido employees were delighted to hear, "Let's try again and take another walk!" from people who came in feeling tired and gained their energy after receiving treatment. Approximately 500 people participated in *Relay for Life* in Sendai, which was less than expected due to a short preparation period after the decision was made on short notice for holding the event; however, we were able to offer beauty care to 47 people and present donations amounting to a total of ¥38,850 including contributions, which were collected in advance, to *Relay for Life Japan 2009* in Miyagi.

Additionally, comments were received from Shiseido employees who participated in the event for the first time such as, "I would be glad, if in even the slightest way, I was able to support social contribution activities directed toward curing cancer," "I was able to help local members by participating in regional activities," and "I hope to keep up the spirit and participate the event again next year." As we are in an era in which cancer is said to affect all people, we would like to support such activities, hoping these efforts will become ingrained in local communities.



Shiseido team



Shiseido employees conducting beauty care activities



Presenting collected donations.

Shiseido Holds Smile Seminar for Cancer Patients and Survivors to Create Smiles through Cosmetics

On February 10, 2009, Shiseido held a Smile Support Beauty Seminar sponsored by the Japan Cancer Society. Smile Seminars are part of the Smile Fund program. This program has been working to conquer breast cancer primarily through educational activities geared to encourage early detection, for example, by helping fund purchases of breast cancer screening equipment and airing television commercials designed to increase breast cancer awareness. This seminar has also been offering free consultation regarding cancer as part of its initiatives to support patients; however, the seminar held at this time marked the first time in which the program has set out to assist patients from the perspective of "beauty treatment."

The SHISEIDO LIFE QUALITY BEAUTY CENTER offered across-the-board cooperation by providing advice on makeup application techniques to address patients"

treatment-related beauty concerns (skin dullness due to chemotherapy, the loss of eyebrows and eyelashes, etc.). In the end, all 18 participants were smiling when the time came to go home. The day was also meaningful for Shiseido staff who got to hear about beauty-related concerns and challenges from participants. Shiseido looks forward to redoubling its research efforts and working to provide even better advice to individuals with skin concerns



Smile Support Beauty Seminar

Participants in the seminar, which was divided into courses about techniques for covering unnatural skin tone and drawing eyebrows and eyelashes, intently observed as staff from the LIFE QUALITY BEAUTY CENTER offered advice

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TOP > [Activities taking advantage of Shiseido's core business: Shiseido Life Quality Beauty Seminars]

Activities taking advantage of Shiseido's core business: Shiseido Life Quality Beauty Seminars

SHISEIDO LIFE QUALITY BEAUTY SEMINAR

The SHISEIDO LIFE QUALITY BEAUTY PROGRAM seeks to improve quality of life (QOL) through cosmetics and beauty care technologies for individuals with skin, emotional, or physical concerns.

The program includes the SHISEIDO LIFE QUALITY BEAUTY SEMINAR, a series of free beauty seminars conducted locally throughout Japan for people including senior citizens and persons with disabilities to help them enjoy healthier and more fulfilling lives.

Currently, Shiseido personnel visit various welfare facilities, including those for the elderly and persons with disabilities as well as relief and rehabilitation facilities<*> As of the end of the fiscal year ended March 2010, a total of around 2,984 seminars were conducted for approximately 49,448 people each year. The seminars provide basic information about beauty care and cosmetics use, allowing participants to gain firsthand experience of skin care and makeup techniques. These events are open to individuals without regard to gender or age, and give numerous participants a chance to enjoy fellowship with one another through communication and cosmetics.

Shiseido is already involved in similar activities that respond to local needs in overseas locations, and we plan to expand our domestic initiatives to countries worldwide in the coming years.

*Relief and rehabilitation facilities

Relief and rehabilitation facilities are facilities for helping young people who have unfortunately committed crimes due to neglect and other reasons at home to live independently through providing guidance and support to enable them to return to and become sound and healthy members of society. There are approximately 100 relief and rehabilitation facilities nationwide, which are operated as public corporations upon receiving approval from the Minister of Justice based on the Offenders Rehabilitation Services Act.



Seminar at a welfare
facility for the
elderly in Singapore



Seminar at a medical
facility in Germany

■ Comments from Persons in Charge of Facilities Where Events Were Held

voice

Holding of Cosmetic Lessons

Muryo Jukai Social Welfare Corporation
Coordinator Nin Enokida



Cosmetic lessons conducted by members of Shiseido bring us new sense of excitement each time. The expressions of senior citizens at Muryo Jukai change by simply applying lipstick, and they show us wonderfully happy faces we have not seen before. One lady smiled and commented, "I love the fragrance of cosmetics." This made me think that she must have a wonderful memory associated with cosmetics.

I would like to thank the many Shiseido volunteers who added warmth and brightness to the New Year's party, summer festival and respect-for-senior-citizens ceremony. I think those who were able to dress up for the festivities were extremely delighted.

I hope Shiseido will continuously introduce us to new trends.

Holding of Beauty Seminar

Women's Halfway house in Tokyo
Guidance Officer Junko Fukuda

A beauty seminar was held as a "makeup lesson for creating a favorable impression" thanks to the cooperation of Shiseido members. Since everyone at the facility participated, this suggested an overall strong interest in beauty. I was truly glad to see the lit-up expressions of participants. At our facility, guidance and support as well as various treatment programs are implemented to prevent the recurrence of crimes as a means of helping women to gain independence. Many of these women have experienced abuse by their families during their childhood or are the victims of domestic violence. As a result, many of them have lost confidence. In this respect, I hope that women in this facility can have a greater self-awareness through this seminar and become capable of expressing themselves, thereby gaining the confidence to live normal lives in society.



Seminar at a women's rehabilitation facility

■ History of Beauty Seminars at Shiseido

Beauty seminars are held by Beauty Consultants from worksites nationwide. They began in 1949 with a special beauty class that taught students planning to graduate from high school how to use cosmetics properly, in order to maintain an appearance appropriate for an adult. The program was renamed as a cosmetology class and eventually became the current Shiseido Beauty Enhancement Seminar, which is actively held at companies, organizations, schools, and other groups nationwide.

The SHISEIDO LIFE QUALITY BEAUTY SEMINAR for those including senior citizens and persons with disabilities are becoming widespread grassroots movement. The benefits of cosmetics are also currently receiving attention in the medical community in the form of “makeup therapy,” a process in which cosmetics play a useful role in creating a positive outlook in patients, motivating them to complete their physical therapy, and enriching their interaction with society.

In an effort to realize "This moment. This life. Beautifully." based on a desire for "making all people beautiful," each year Shiseido holds approximately 4,306 beauty seminars (SHISEIDO LIFE QUALITY BEAUTY SEMINAR and Shiseido Beauty Enhancement Seminars), in which approximately 87,404 customers participated nationwide as of the end of the fiscal year ended March 2010.

■ Shiseido Beauty Volunteer Program

Demand for Beauty Seminars for persons with disabilities, senior citizens and other people increases with each passing year. To accommodate the high level of interest in this program, we introduced Shiseido Beauty Volunteer program in 2000 for Beauty Consultants who have retired from Shiseido.

Under this program, respective business offices recruit and register former members of Shiseido who are interested in volunteering as Beauty Volunteers, with 403 persons having registered as of March 31, 2010. These Beauty Volunteers participate in SHISEIDO LIFE QUALITY BEAUTY SEMINARS held at nearby facilities for senior citizens, persons with disabilities and individuals with emotional issues.



A Beauty Seminar held at a welfare facility for elderly people in Kagoshima City, Kagoshima Prefecture.

■ Shiseido Beauty Supporter System

SHISEIDO LIFE QUALITY BEAUTY SEMINARS are organized by respective business offices nationwide and are promoted by members, centering on Beauty Consultants. From April 2009, initiatives were taken to strongly appeal to directors and staff members to take part in these seminars and the Beauty Supporter System was newly established to enable many employees to participate. As of the fiscal year ended March 2010, a total of 1,408 employees have taken part in the program. By participating in the seminars, employees are gaining a new understanding of the power of cosmetics and beauty treatments while also offering an opportunity for society and Shiseido to coexist harmoniously.



President Maeda (left)
and Vice President Iwata (right)
participating in the seminar



Participating in the seminar at the
Saganoseki Hospital in Oita Prefecture

■ Comments from Beauty Supporters

voice

After participating in a seminar for visually impaired persons

Although it was the first time for me to participate in the SHISEIDO LIFE QUALITY BEAUTY SEMINAR program, I realized that the smiles I saw during the seminar were the true value of the power of cosmetics. It is not just about how to use makeup, but rather, I realized that it is also about conveying this information in a sincere manner. By taking part in the seminar, I felt the power of the smiling faces of participants.

After participating in a seminar for senior citizens

At the beginning, one woman who said that "I am okay with just watching" actively participated as the seminar progressed, and it was heartwarming to see everyone's delighted smiling faces and hear their words that "I truly look different from usual" and "I became beautiful." Although I don't directly come in contact with customers in my daily work, I would like to keep in mind the idea of "making customers happy," which I learned through this experience.

TOPICS

SHISEIDO LIFE QUALITY BEAUTY SEMINAR Continuously Being Held in China

The SHISEIDO LIFE QUALITY BEAUTY SEMINAR, a program that was initially launched in 2009 at a facility for persons with disabilities in Shanghai, is continuously being held while expanding to areas including Beijing as well as welfare facilities for the elderly. This seminar enables participants to experience "techniques for applying cosmetics" and also provides "the latest cosmetics information and skin care and makeup techniques that can be done by oneself."

We received positive comments from a participant, who said, "I will be turning 60 years old but I have always thought that wearing makeup is irrelevant to my life because I have a visual impairment. The only time I wore makeup was at my wedding. Although I can't clearly see for myself, today is the second time in my life that I have worn makeup and I am so happy that people around me told me that I had become beautiful. It made me feel like going out for a meal with everyone before I remove the makeup." Additionally, Shiseido's local staff also commented, "I sensed through the seminar that beauty is not only about one's appearance but rather something that blooms from within one's heart like a vibrant flower. The current seminar included participants with disabilities and I was able to truly understand the meaning of beauty by seeing participants' faces becoming lively and radiant in only 60 minutes. The seminar also let me realize the significance of my work."



Seminar at a facility
for people with disabilities
in Shanghai



Materials translated into Chinese for the seminar

Renewal of Braille Beauty Care Booklet and Additional Booklet for Men

It has been reported that in Japan there are currently approximately 350,000 visually impaired persons. As a result of a proposal from visually impaired persons within the Company in 1984, Shiseido proposed and developed beauty-related educational materials including braille beauty care booklets, braille labels for identifying products and labels to get a rough idea of the remaining volume of a product being used. Lectures for visually impaired persons also have been developed at the grassroots level through mutual consensus with schools for visually impaired persons regarding the importance of cosmetics, in which Shiseido has recommended makeup techniques to high school students using these booklets. Today, these lectures have been expanded in various areas for persons with disabilities and people at senior care facilities.

From 1987, Shiseido produced A Time for Beauty, a compilation of beauty-related information issued quarterly on cassette tapes (currently in CD format). These are donated to facilities supporting visually impaired persons, including approximately 100

braille libraries throughout Japan, and are used by roughly 4,000 persons on an annual basis.

From 2002, Shiseido made "A Time for Beauty and [Shiseido Listener's Cafe](http://www.shiseido.co.jp/listener/html/)" (Japanese only) available on its website to offer basic beauty-related information such as cosmetics application techniques and appropriate amounts to use. The information is continuously updated for everyone's enjoyment. For details, please visit the site at <http://www.shiseido.co.jp/listener/html/> (Japanese only).

Two types of braille beauty care booklets, including skincare and makeup booklets for women, were previously developed and used as part of the SHISEIDO LIFE QUALITY BEAUTY SEMINAR program for visually impaired persons. In commemorating the bicentennial of the birth of Louis Braille (born 1809 in France) who invented the braille system this year, the two booklets *Beauty Care (For Women): Shiseido's Hair Care and Body Care* for female participants and *Skincare and Hair Care Text: Shiseido's Beauty Care for Men* for male participants have been added as well as audio CD format of all beauty booklets.

Visually impaired persons from inside and outside the Company cooperated in the development process by considering various points, including "revising booklets by selecting key points of beauty care and reducing the number of pages for easy use," "using water-repellent paper to enable readers to carry out beauty care while checking the braille text with wet hands in the bathroom," and "using 22-point font size for letters printed along with braille to enable easy reading for persons with weak eyesight," as well as "adopting braille printing that will maintain its form with repeated use" and "adopting 0.4mm dot height for easy reading."

Shiseido will continuously provide support to realize its corporate message "This moment. This life. Beautifully," for all customers through complimentary beauty seminars and the SHISEIDO LIFE QUALITY BEAUTY SEMINAR program for senior citizens and persons with disabilities. Additionally, respective booklets are distributed at these seminars held throughout Japan for visually impaired persons and are also lent out to Braille libraries nationwide.



Four volumes of braille beauty booklets and CD beauty booklet



Braille labels for identifying products, labels to measure the remaining amount of product being used and A Time for Beauty CDs featuring beauty-related information

Cooperating in Teaching Beauty Techniques at the Comprehensive Welfare Equipment Exhibition "Eye Festa 2009 in Wakayama" for Visually Impaired Individuals

On July 26, 2009, Eye Festa 2009 was held at the Wakayama City Fureai Center in Wakayama, Japan. Eye Festa is a regional event organized at the respective branch offices of the Japanese Retinitis Pigmentosa Society (JRPS), in which comprehensive welfare equipment for visually impaired individuals is exhibited and consultation in areas including medical, daily life and beauty is provided. In cooperation with this event, Shiseido held a SHISEIDO LIFE QUALITY BEAUTY SEMINAR upon receiving a request to participate in the event from the JRPS Wakayama Branch Office.

Eye Festa 2009 in Wakayama was organized under the theme of establishing treatment methods for retinitis pigmentosa and aiming to improve the quality of daily life for those with the disorder. In relation, organizers from the JRPS Wakayama Branch Office said that "Despite having a visual impairment, a person wants to act positively and women specifically want to wear beautiful makeup."

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Shiseido hopes to support individuals who have certain skin concerns or psychological or physical stress through the power of cosmetics. This seminar was part of such initiatives. Additionally, Shiseido has established and has been promoting a program to enable the president, directors and employees as possible to participate in these types of seminars as an opportunity to reconfirm the "power of cosmetics." For this event, employees of Shiseido Sales Co., Ltd.'s Kinki Branch Office offered advice on suitable colors and application methods according to individual participants based on the theme "feeling positive through makeup."

A total of 14 persons participated in two sessions held in the morning and afternoon. During the sessions, participants looked at themselves using a magnifying glass and were happy to see their faces with makeup. Also, they were extremely delighted to see themselves becoming beautiful by wearing makeup and could not resist smiling as one of the guides providing assistance said to the participants, "Your complexion became brighter when you applied foundation!" and "That lipstick suits you really well!" Employees who participated in the seminar were able to realize the power of cosmetics from the moment participants smiles lit up their faces.



Seminar at Eye Festa 2009 in Wakayama

TOP > [Initiatives with Stakeholders] With Our Customers

With Our Customers

Our wishes for our customers' beauty, health, and happiness are shared by all employees and lie behind every product and service we offer. We are proud to work with customers to realize the beauty of every individual.

100% Customer-oriented Manufacturing

Manufacturing Cosmetics that Can Be Used with Safety and Peace of Mind

[https://www.shiseido.co.jp/seibun/\(Japanese only\)](https://www.shiseido.co.jp/seibun/(Japanese%20only))

Product research and production at Shiseido are designed to create products that customers can use with confidence and peace of mind. Based on our belief that correct knowledge of the skin is critical, the cosmetics development process starts with intensive research into skin structure conducted in collaboration with Japanese and overseas dermatologists, universities, and other research institutions utilizing state-of-the-art technology from a broad range of disciplines related to cosmetics (including the life sciences, dermatology, surface science, ergonomics, and psychology). Then ingredients are thoroughly investigated for impurities and other substances that might adversely affect the skin, and only those of unquestionable safety are selected for use. Finally, we conduct patch tests and dermatologist-supervised trials to ensure that the resulting formulations will be free of problems when used in products.



Sensory testing of cosmetics



■ Manufacturing Stage: Strict Standards

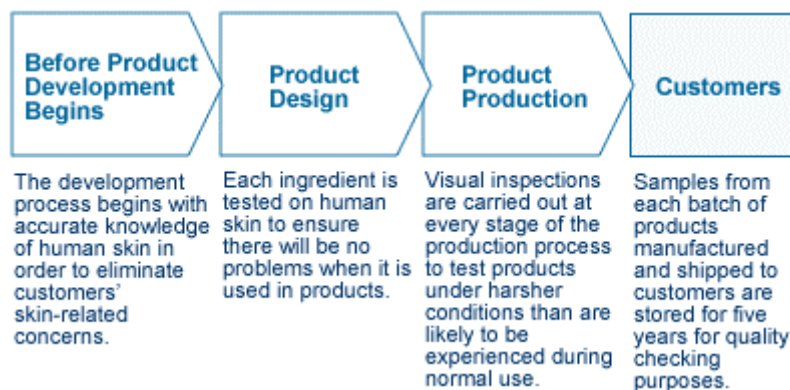
During product manufacturing, Shiseido establishes strict standards with regard to hygiene, manufacturing and product quality at its factories. Personnel, working under hygienically controlled conditions, use clean facilities and manufacture products while conforming to stringent manufacturing guidelines. In addition to verifying products through implementing respective inspections during and after the manufacturing processes, Shiseido conducts sensory tests to check smell, color and usability, thereby ensuring that there is no uncomfortable feeling for customers when using products. Sensory testing is an inspection carried out by internally qualified inspectors, whose senses (vision, smell, touch) are relied upon to make judgments. Products that have

passed such quality checks are then shipped and delivered to customers. Additionally, we are also checking the quality of our products by storing product samples for five years after shipment.

■ Safety, Backed Up by Data

When treating patients with dermatitis (rash) suspected to have been caused by cosmetics, dermatologists attempt to track down the cause of the condition by conducting patch tests with the cosmetics used by the patient, as well as their ingredients. Statistical data summarizing the rate of positive results for these patch tests for individual manufacturers can be interpreted as an indicator of the effectiveness of those companies' safety assurance programs. Published reports show that the rate of positive results for Shiseido cosmetics is the lowest of all domestic and overseas cosmetics manufacturers*, and that a high level of safety is maintained.

* From Fujimoto et al., "Patch Test Results in 492 Patients of Suspected Cosmetic Dermatitis (1996 to 2000)," *Environmental Dermatology*, Vol. 9, No. 53-62, 2002



A Basic Approach Based on Health and Environmental Considerations

■ Basic Approach

Shiseido manages chemical substances used in products and containers based on the international goal of "minimizing adverse effects that the manufacturing and use of chemical substances have on human health and the environment by 2020," as adopted at the 2002 World Summit on Sustainable Development (WSSD).

Shiseido collects information about chemical substance safety and trends in the regulation of chemical substances in Europe, the Americas, Asia, Japan, and other regions. This data is evaluated based on the latest scientific knowledge and put to use in order to ensure that Shiseido does not sell any products that would have an adverse effect on people or the environment.

In the event that concerns about the effects of ingredients used in product formulations on human health or the environment were to be brought to our attention, we would make a judgment as to whether to continue their use based on the latest scientific knowledge available at that point in time. If necessary, we would halt use immediately and switch to an alternative substance.

■ Complying with the European REACH Regulation

Under Europe's new chemical substance regulatory framework, known as the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, all chemical substances contained in cosmetics and containers exported to Europe from Japan are subject to regulation.

In particular, substances imported into Europe in quantities of one ton or greater per year must be registered in accordance with procedures set forth in the REACH Regulation. Shiseido has assessed which substances must be registered.

The REACH Regulation also requires that manufacturers provide information to business partners and customers concerning products and containers that contain at least 0.1% of certain substances that are feared to have an effect on the human body or the environment, known for the purposes of the regulation as Substances of Very High Concern (SVHC). At the present time, Shiseido has verified that none of its products or containers falls under this category. As the SVHC list is updated periodically, Shiseido will verify that none of its products or containers contains the substances in question. In the unlikely event that a product or container is found to contain a substance included on the SVHC list, Shiseido's policy is to halt use, for example by switching to an alternative substance.

■ Initiatives in Healthcare Products

Shiseido also promotes a 100% customer-oriented approach to the manufacture of healthcare products.

The Company's state-of-the-art technology plays an important role in the commercialization of beauty, health and pharmaceutical products like *The Collagen*, which is gaining customer support as a patented beauty product.

We've also made social contributions in the area of food products. For example, for individuals with rice allergies, in 1991 we launched Fine Rice, Japan's first Food for Specified Health Uses (FOSHU)³. The product employed technology for eliminating allergens from rice germ and was sold for 16 years until 2007, when alternative technologies became available.

We pride ourselves on manufacturing healthcare products that our customers can consume with confidence and peace of mind by following GMP standards developed for pharmaceuticals¹ or Shiseido standards at every stage of the manufacturing process, from ingredient selection to commercialization and production.

As with our cosmetics, the ingredient selection process involves gathering information from around the world and checking data describing site conditions, soil quality, residual pesticides, and other characteristics so that we can use only ingredients that inspire peace of mind. In commercialization and production, we maintain systems capable of maintaining a stable supply of high-caliber, high-quality products by observing internal Shiseido standards as well as HACCP^{*2}, ISO 9000, ISO 22000, GMP, and other industry standards and guidelines.

In all of these initiatives, we are not satisfied to rest on our accumulated experience, but rather continuously strive to develop safe and original products while gathering the latest health information and applying state-of-the-art technologies. To this end, our research, product development, and beauty services departments cooperate and regularly exchange information.

^{*1} GMP: Good Manufacturing Practice. Quality control standards for pharmaceuticals and other products developed by the Minister of Health, Labour and Welfare in accordance with Japan's Pharmaceutical Affairs Law.

^{*2} HACCP: A technique for controlling food product hygiene developed in the 1960s in the United States to ensure the safety of space rations used by astronauts.

^{*3} Food for Specified Health Uses (FOSHU): Foods approved by the Health Promotion Act, Article 26, paragraph 1 or Article 29, paragraph 1 that are sold with labeling that consuming the food can result in certain health maintenance effects.

Activities to Increase Customer Satisfaction

Shiseido has embarked on a series of reforms to transform itself into a 100% customer-oriented company. Key to this endeavor is a reorganization of the activities of about 10,000 Beauty Consultants (BCs) who are capable of breathing new value into products developed in response to customer needs, and communicating that value directly to customers. We eliminated sales targets for BCs in April 2006 as part of this ongoing effort and replaced them with a satisfaction-based mechanism for evaluating customer service. Feedback from customers is provided to individual BCs on a monthly basis and used to enhance the level of service and customer satisfaction by enabling them to reflect on their own activities and identify areas for improvement. Following this approach, BCs can ask themselves how many customers they helped become more beautiful each day, and whether those customers were satisfied with the service they received. All Company employees have focused their energy and resources on improving day-to-day customer service and trust.

voice

Striving to Earn Customers' Trust as a Beauty Consultant

Yuki Narita
Hokkaido Branch Office of Shiseido Sales Co., Ltd.



The customer feedback we get through questionnaire postcards is just like the "advice books" we had when we were students. I always get a case of butterflies in my stomach when I look over questionnaire results. I find that I have no choice but to take a new look at myself and ask if there isn't more I could do on behalf of customers, regardless of whether the results include harsh words of criticism, messages thanking me for making the sender more beautiful, or telling me the sender is glad that she had a chance to come to me for advice.

I'm looking forward to polishing my skills on a daily basis so that I can be grateful for every customer who takes the time to visit our shop. In this way I will work to shrink the distance between Shiseido and those customers by providing 100% customer satisfaction. I will continue to strive to earn customers' trust as a Beauty Consultant while valuing the feedback I receive in the form of my "advice book."

Communicating with Customers

In addition to moving beyond the retail outlets that comprise our most common point of contact to seek out the opinions and desires of our customers, we are promoting two-way communication as a way to provide a range of information about products and beauty.

Shiseido Website

[https://www.shiseido.co.jp/\(Japanese only\)](https://www.shiseido.co.jp/(Japanese%20only))

Shiseido provides extensive product, beauty, and company information on [its website\(Japanese only\)](#), reflecting efforts to create appealing content and administer the site in response to customers' desires and needs.

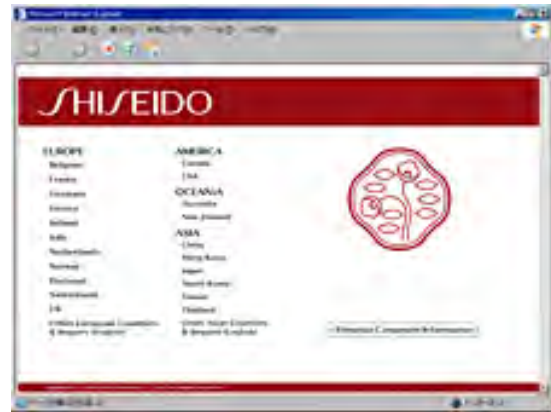
Additionally, the [Shiseido Global website](#) is also available through three carriers, iMode, EZweb and Yahoo! Mobile.

[Shiseido Net members \(Japanese only\)](#) receive various exclusive service offers including participation as monitors, application to receive complimentary product samples and viewing of "my page" with personalized information.

Additionally, subscription to email magazines including Shiseido News (Japanese only) packed with a variety of the latest information is also available.



Shiseido website

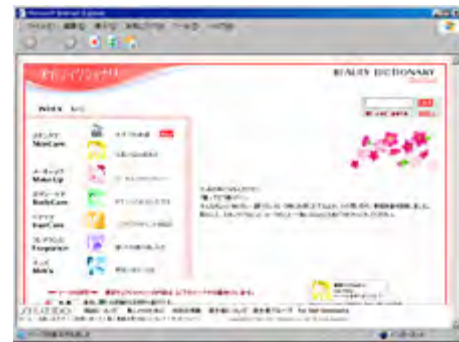


Shiseido global website

■ Beauty Dictionary

http://www.shiseido.co.jp/biyou_dic/ (Japanese only)

The online Beauty Dictionary (Japanese only) is a helpful resource for individuals wanting to know more about beauty. It contains theoretical explanations related to beauty, basic instructions for using cosmetics, and information about makeup techniques and skincare methods. Videos make content more accessible.



■ Listener's Cafe

<http://www.shiseido.co.jp/listener/html/> (Japanese only)

Shiseido's Listener's Cafe provides the audio equivalents of content such as beauty information and basic cosmetics knowledge for visually challenged individuals. Other offerings include *A Time for Beauty*, a wide-ranging compilation of information about beauty, trends, fashion, and health published quarterly on CD and donated by the Company to 100 Braille libraries throughout Japan.



We've also made this report easier to use by making detailed information about the products it mentions immediately accessible.

Shiseido Nationwide Beauty Enhancement Seminars Centering on Shiseido Net Members

Since 2005, Shiseido has been holding Shiseido Nationwide Beauty Enhancement Seminars, which are carried out in conjunction with various measures, concurrently at business locations throughout Japan to provide Shiseido Net Members with the latest beauty information and also allow them to experience new products. To date, over 45,000 customers have participated. The online registration process gives priority to customers who have registered as Shiseido Net Members.



Note: Registration is available through such channels as select store locations and via local media.

Initiatives to Share Customer Feedback Internally and Utilize It in Company Activities

Shiseido uses feedback from customers as a compass to guide its corporate activities and to create more satisfying products and services. [Our Consumer Information Center \(Japanese only\)](#) accepts suggestions and feedback from customers and plays a central role in navigating the corporate organization to ensure that this valuable resource is reflected in a variety of activities designed to create joy on the part of customers.

We adopted a Customer Service Code of Conduct in fiscal 2006 to ensure that the Center's daily efforts to respond in good faith serve to foster trust and meaningful relationships with the Company, and we continue to work to improve the quality of our communication with customers.

In order to deepen our understanding of customers and to reflect their input in our efforts to improve and develop more satisfying products and services, we are working to implement a program of customer information management that seeks to collect customer feedback via a variety of sources and methods, including the Shiseido Customer Center.



Customer Service Code of Conduct

Collecting Customer Feedback

Shiseido gathers customer feedback through a broad range of methods and puts it to work in developing a deeper understanding of its customers.

Collecting Customer Feedback from Retail Outlets (Mobile Handsets)

Based on a belief that spontaneous reactions at retail outlets signal customers' true feelings, Beauty Consultants collect 140,000 instances of customer feedback each year on the sales floor using special mobile handsets. The system enables authentic customer reactions to the Company's marketing activities to be shared companywide within one day of being entered on the handsets.



Special mobile handset used by Beauty Consultants

Website Soliciting Customer Suggestions (Idea Garden)

http://www.shiseido.co.jp/netclub/idea_garden/index.asp (Japanese only)

In April 2008, Shiseido added an area to its website where visitors can submit ideas and suggestions. Solicitations are limited to Shiseido Net Members (Japanese language only), but are publicized widely. Voting by all website visitors helps the Company to understand customers' expectations and reflect them in its corporate activities.



Analyzing Customer Feedback

Customer feedback that has been aggregated by the Voicenet C system is subjectively analyzed by employees and used to provide better products and services.

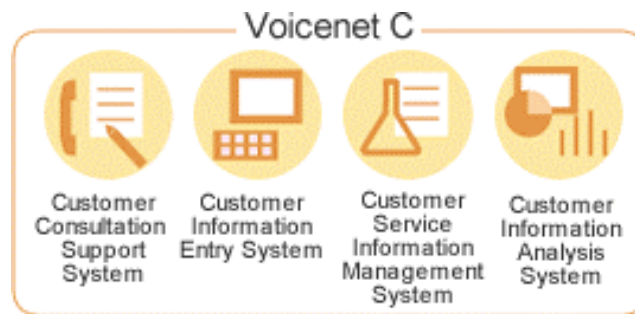
Voicenet C System

In order to collectively manage customer information, Shiseido has implemented [the "Voicenet C" \(Japanese only\)](#) system since 1996.

The Voicenet C system provides functionality for supporting responses at the Customer Center (Customer Consultation Support System), recording and storing feedback details and associated circumstances (Customer Information Entry System), supporting contact between the Consumer Information Center and other worksites and

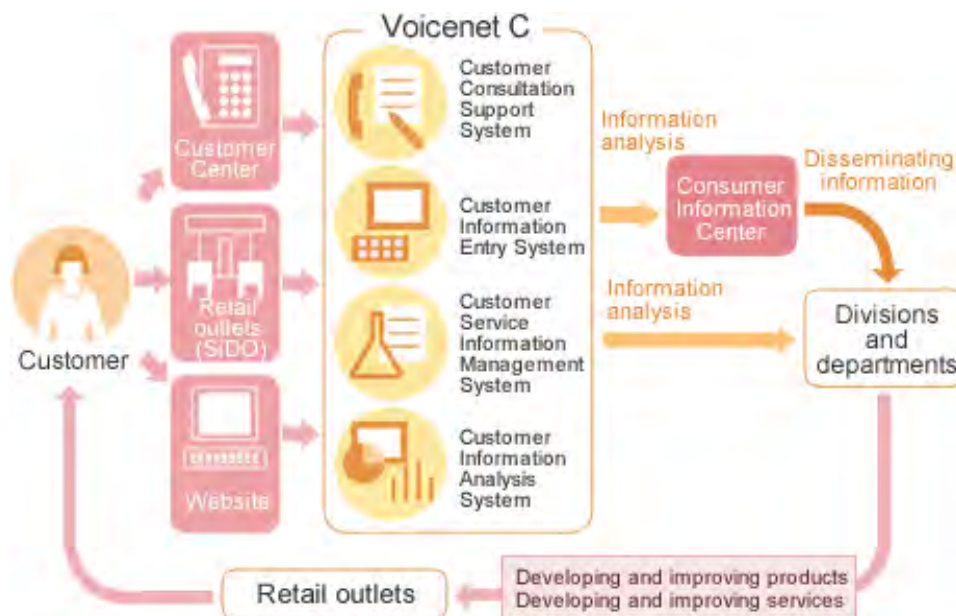
departments throughout Japan (Customer Service Information Management System), and analyzing issues and trends in customer information that should be shared (Customer Information Analysis System).

Information from these four functions can be accessed from any Company location via the Internet, enabling the results of customer feedback analysis to be employed in enhancing a variety of operations.



Reflecting Customer Feedback in Company Operations

Shiseido maintains a system for quickly routing information obtained from the Consumer Information Center, which forwards feedback received on a daily basis to other departments as appropriate, ensuring its ability to take optimal and timely action in regard to customers. Customer feedback continuously circulates throughout the Company so that customer satisfaction can be assured not only in times of emergency, but also in daily operations.



■ Customer Feedback Information (Intranet)

The Consumer Information Center selects evaluations of Shiseido products and services as well as hints for increasing customer satisfaction from customer information collected by Voicenet C and edits them for dissemination in weekly, monthly, annual, and other reports so that they can be reflected in the Company's marketing activities.



■ Voices of Customers Seminars

Shiseido holds Voices of Customers seminars to provide deeper knowledge of customer's thoughts and feelings as they enjoy cosmetics in their daily lives, as well as background information. By allowing them to directly experience and share actual customer feedback among themselves, the program gives participating employees an opportunity to see their responsibilities in a new light from the customer's perspective, helping them to develop a sense of empathy with and understanding of customers.



Seminar being held at a factory

Applying Customer Feedback to the Product Creation Process

Shiseido shares feedback from customers internally to ensure our products will satisfy customers for as long as they use them. The valuable information we gain from this feedback is used in company activities, and these initiatives are also applied to the product creation process.

Recent key examples are introduced here.

Key examples up until now are introduced in customer page.

[Click here for customer page \(Japanese only\)](#)

■ KIREINOSUSUME (sold only in Japan)

<http://www.shiseido.co.jp/products/> (Japanese only)

Employing 100% recyclable paper drink containers

Customer Voices

I enjoy drinking it every day, but it is troublesome to dispose of the containers – a lot of cans. I wish they were made of paper. (40s)

Cans are heavy and wasteful. Why can't it come in paper packs? Those are more ecological, aren't they? They are particularly convenient because they are easy to crush. (40s)

Shiseido adopted ecological "carton cans" made of paper. Like milk cartons, they can be recycled. Domestic timber from forest-thinning and lumber scraps are used to make the paper for the carton cans. A portion of the proceeds from KIREINOSUSUME is donated to Green Fund, so, in addition to enjoying the drink, customers can contribute to the sound development of forests in Japan.



Paper Pack: The pack can be recycled after removing the straw and its plastic bag, rinsing it, and cutting it flat.



Green Fund: Supports Japanese Forest Development Shiseido donates portion of proceeds.

■ MAQuillage Little Glossy Nail Colors

<http://www.shiseido.co.jp/mq/> (Japanese only)

Launched mini-size nail colors (limited to summer 2010)

Customer Voices

I don't necessarily use the same nail color every day, so it can be hard to use them up. With lower prices for smaller sizes, I could enjoy nail art with different colors. I hope small bottles will be available for MQ, too. (30s)

They are smooth and pretty, but I hope Shiseido will offer mini-sizes. The volume of the current product is too much.... I could enjoy trying different colors if they were smaller and cheaper. Nail art, too. (30s)

Our Improvements

In response to the voices of many customers – asking for *MAQuillage* glossy nail colors in smaller sizes – Shiseido launched multiple colors in small sizes on a limited

basis. A line of rich colors, tones and textures is available so that customers can collect all their favorites and enjoy trying new ones.



MAQuillAGE Little Glossy Nail Colors

■ BENEFIQUE RENEW

Silk Veil Lift Remake Powder (Refill)

Lift Remake Puff (sold only in Japan)

<http://www.shiseido.co.jp/benefique/> (Japanese only)

Launched refill for the powder and a puff sold separately

Customer Voices

I bought the product because it is good and I like it, but was disappointed to find that there was no refill. The powder case is quite pretty and it seems like a waste to throw it away and buy a new one. This is not very ecologically minded. (40s)

It is beautiful powder, and it's fun because there is a knack to applying it to the face. But it's a waste to buy the entire case each time. (50s)

Our Improvements

Responding to our customers' voices – calls for a refill so that compacts can be reused, and a separately-sold puff so that one can be use while the other is washed – refills and unbundle puffs were released six months after the original products, when customer demand was at its peak.



BENEFIQUE RENEW Silk Veil Lift Remake Powder (Refill)

BENEFIQUE RENEW Lift Remake Puff

■ **ANESSA Perfect UV Sunscreen AA**
ANESSA Perfect Pearly Sunscreen AA

<http://www.shiseido.co.jp/anessa/> (Japanese only)

Water-resistant, but without the need for special cleansing

Customer Voices

What is a good water-resistant sunscreen for children in the upper grades of elementary school that requires a minimum of re-applications? I want something that can be removed with body soap. (40s)

Can the gold or silver finish ANESSA be removed with normal soap? I want to minimize things I carry on a trip and am looking for a sunscreen requiring no special cleanser to remove. (50s)

Our Improvements

In response to customers' voices – calls for easy removal without special cleanser – Shiseido used its unique powder coating technology to accomplish the quite contradictory functions of being resistant to sweat and water while being easy to remove.



ANESSA Perfect UV Sunscreen AA
ANESSA Perfect Pearly Sunscreen AA

■ **BENEFIQUE NT / BENEFIQUE RENEW**
New Lotion and Emulsion (sold only in Japan)

<http://www.shiseido.co.jp/benefique/> (Japanese only)

In line with the renewal of the formulation, a new packaging design was adopted to enable customers to use the products easily.

Customer Voices

It's quite hard to press the pump dispenser. I was wondering if it's possible to make the container easier to use. (Female, 70s)

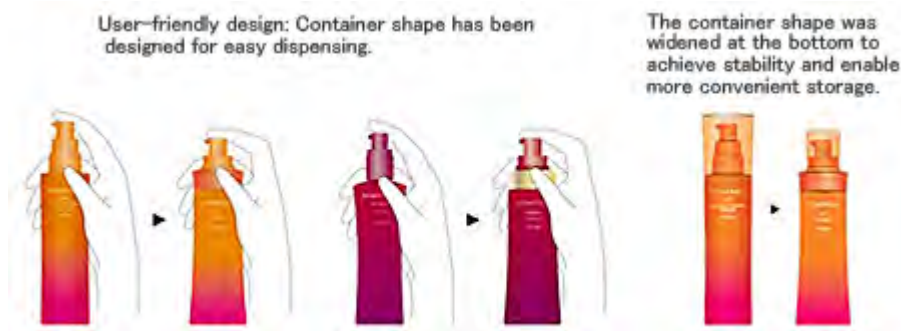
The container often falls over as the contents are used up. Just pumping the dispenser causes the container to fall on the tray next to the product creating a mess! It seems that the bottle is unstable because the cap is too large and heavy. Please tell the company to improve the container. (Female, 40s)



Our Improvements

Customer opinions regarding containers, including "the dispenser is hard to press," "the container falls over easily as the contents are used up and the quantity becomes less" and "the container is too tall and I can't store it easily," have been reflected in the development of a new bottle design that facilitates use.

In addition to making the container shorter and the pump dispenser easier to press, the shape of the container was widened at the bottom to enhance stability and also enable convenient storage in a vanity drawer, thereby adopting a design that enables everyone to comfortably use the products regardless of age.



User-friendly design: Container shape has been designed for easy dispensing.

The container shape was widened at the bottom to achieve stability and enable more convenient storage.

MA CHÉRIE Shampoo and Conditioner Refills (sold only in Japan)

<http://www.shiseido.co.jp/macherie/> (Japanese only)

Launched product refills in line with brand renewal.

Customer Voices

I like the product and have been using it for a long time; however, for refills, I think a plastic pouch would be better than a plastic bottle. (Female, 20s)

I have been regularly using *MA CHÉRIE* for a long time because I like the brand, but there is one thing I would like to see improved. Would it be possible to change the refill container to a plastic pouch such as those used for *TSUBAKI*? It's easy to simply replace dispensers, but the volume of waste increases. Is there any plan to change the packaging? (Female, 30s)

Our Improvements

In response to the opinions of numerous regular users, the containers were changed from "bottle-type refills" to "pouch-type refills." With this change, plastics used for containers will be reduced by approximately 110.7 tons annually.



New *MA CHÉRIE* shampoo and conditioner refills

■ UNO FOG BAR Refills Men's hair care products (sold only in Japan)

<http://www.shiseido.co.jp/uno/> (Japanese only)

Launched Japan's first standing pouch-type refills for a hair styling product.

Customer Voices

Excellent product from Shiseido!

I used to use wax and spray, but I became a regular user of FOG BAR because I only need to use one item and styling is easy, plus it's convenient to use.

It would be nice if refill products were available. (Male, teens)

The product is used up quickly because I use it every day.

Since the container is well made, wouldn't it be more environmentally friendly if refill products were available? Wouldn't the price be cheaper as well? (Male, 20s)

Our Improvements

By taking advantage of the product's liquid formulation, Shiseido launched Japan's first standing pouch-type refills for a hair styling product. As a result, Shiseido managed to reduce plastics used for containers by 88% compared with bottle-type products.



UNO FOG BAR refills

■ BENEFIQUE Quick Hair Concealer (sold only in Japan)

<http://www.shiseido.co.jp/benefique/> (Japanese only)

Launched single-touch styling hair color that easily resolves concerns over gray hair to achieve a beautiful finish.

Customer Voices

I use hair color once a month, but it's especially hard to apply hair color at the roots of my hair. Gray hair starts to show quickly if I don't color my hair every 10 days.

Because I'm working, it's convenient to use hair color that easily allows coloring of certain parts of my hair.

I would like to use hair color exclusively for specific areas and a product that allows me to use only the amount I need without mixing. (Female, 60s)

I am concerned about hair damage caused by the frequent use of hair color. At the same time, it's hard for me to color my hair because my eyesight is getting worse with age and my hands aren't as flexible anymore. Since I am concerned about my roots and other certain areas, I need a product that enables me to cover only those areas. (Female, 60s)

Our Improvements

Shiseido launched a new type of hair color in response to customer requests to "quickly and beautifully cover gray roots and around the parting of hair as needed in between coloring hair. "

Simple application by combing thoroughly covers gray hair at the roots and around the parting of hair. The new product not only covers gray hair but it also gradually colors hair without causing damage. Since hair does not become stiff, it realizes a light and airy, youthful hairstyle with natural color.



Natural brown (natural brunette)

Dark brown (dark brunette)

Natural black (natural black)

Marker-shaped container with a comb enables easy and thorough application without staining the scalp [hairline]

Universal Design Initiatives

Universal design takes into account the environments in which all kinds of people live. It is an important approach for Shiseido given our commitment to create products that all customers can enjoy with confidence and peace of mind.

Shiseido adopted the Shiseido Universal Design Guidelines in 2005 based on expert theory and legislation, and crafted to reflect the characteristics of our products. The guidelines span 6 principles and 14 provisions and describe a product development process in which all product planning and design departments share information. A key point during the formulation of the guidelines was to precisely identify what kind of customers used actual products, as well as how they used them and in what circumstances. It was also important to imagine as many such situations as possible.

For example, the principle requiring that it be obvious how to use the product includes an "intuitive design" checkbox indicating that users should intuitively understand where to hold the container and twist in order to open it. Designs that take such considerations into account are defined as easy-to-use designs. Conversely, a design that contravenes the user's intuition by having a non-functional design element that looks like a button that should be pressed to open the container would be a difficult-to-use design.

In fall 2008, we launched *ELIXIR PRIOR* for customers aged 60 and over. During the development of the container, designers met many times with customers in the target age group to solicit feedback on what they found inconvenient about their daily makeup routine and to give them an opportunity to handle the actual container. The requests and concerns that emerged from those meetings were incorporated into the design as shown in the photograph below.

Shiseido will continue to value customer's perspectives in product development.



A space between the bottle and cap provides a finger-hold, making it easier to open the product.



We incorporated enlarged item names like "lotion", which had been displayed in English on the front of the product as design elements, into easily visible positions on the back of the product. Moreover, the product seals are also easy to peel off.

* Universal Design

The late Professor Ronald Mace of North Carolina State University coined the term "universal design" in 1975 to describe the concept of designing built spaces so that they can be accessed by everyone, and designing products so that they can be easily understood and used by everyone while respecting the value of the individual. The approach espoused by Mace, who himself had experience practicing architecture while disabled, initially gained attention in Japan and the United States in the design of public facilities. Recently it has developed into a significant social theme against a backdrop of increasing awareness of the need to apply such standards to living environment for older and specially challenged individuals.

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TOP > [Initiatives with Stakeholders] With Our Business Partners

With Our Business Partners

Shiseido's CSR activities seek to create good partnerships with business partners such as customers and suppliers.

Information on Shiseido's
procurement of materials
(Japanese Only)
Collaboration & Creation

Initiatives with Business Partners

Shiseido purchases ingredients and perfumes used in the manufacture of cosmetics, packaging, promotional sales materials, and other products from outside companies. We view all suppliers as partners in the creation of new value and consider mutual understanding, including in the promotion of CSR activities, to be of the greatest importance.

■ Shiseido Group Supplier Code of Conduct

Shiseido has also actively worked with partners to promote involvement in environmental activities. In February 2001, we conducted a survey of suppliers' environmental activities in accordance with the Green Procurement Standards. Based on the results, we established Seven Preconditions for Collaborating with Business Partners, starting with our Environmental Policy, and as of April 2003 we had obtained agreement from all suppliers.

In July 2004, Shiseido established a Business Partner Subcommittee under the Corporate Ethics Committee (currently the Compliance Committee) to begin examining how the scope of our initiatives could be expanded from a focus on the environment to encompass more general CSR activities. Then starting in March 2005, we surveyed approximately 400 domestic and 200 overseas suppliers to assess the state of current practice. In March 2006 we compiled and distributed to target suppliers the Shiseido Group Supplier Code of Conduct based on the survey results and taking into account the United Nations Global Compact, case studies of other companies pioneering efforts, and other resources. The document lays out standards and requests to observe items regarding legal compliance, labor (human rights, child labor, discrimination, occupational safety and health, etc.), the protection of intellectual property and confidentiality, environmental conservation and fair commercial transactions.

Additionally, the Company conducts a survey or directly visits suppliers to check compliance status while confirming agreement with the Shiseido Group Supplier Code of Conduct (Shiseido rigorously responds in the event of violations of the Shiseido Group Supplier Code of Conduct).

In May 2010, the Company updated the Shiseido Group Supplier Code of Conduct in order to respond to current changes and new social needs. Accordingly, we have improved its content by emphasizing key concepts in the environmental preservation section such as those considering biodiversity through contributing to the development of a sustainable society. Shiseido will continuously promote activities to enhance corporate value together with its business partners.



Utilizing Sugarcane-based Polyethylene in Cosmetics Containers

■ Aiming to Strengthen Partnerships with Our Business Partners - Briefing Session on Purchasing Activity Policy

As a means of expanding the circle of "creating a beautiful lifestyle culture at the global level," Shiseido clearly stated that the Company aims to achieve growth together with its business partners while promoting "coexistence with society" via procurement activities and practicing "new value creation" also from the perspective of procurement. Since the understanding and cooperation of business partners is indispensable in promoting CSR initiatives, and in order to address social requirements in the future, Shiseido considers it important that our business partners show greater understanding toward Shiseido's concept of CSR and promote manufacturing together with a sincere stance for society.

To this end, procurement departments are holding annual briefing sessions of purchasing policy and section meetings of activity policy sessions, which are held by respective fields such as raw materials, fragrance and materials, with our business partners. These sessions are held with the aim of strengthening the partnership with our business partners, in which Shiseido's idea of corporate social responsibility (CSR) is communicated while reaffirming that the respective parties will work together in this endeavor.

In fiscal 2010, approximately 140 companies of business partners participated in these sessions in which Shiseido conveyed the Company's aspirations regarding the environment (moving away from petroleum, plant-based materials, non-wood materials

and biomass and 3R) and CSR (biodiversity, fair trade, Shiseido Group Supplier Code of Conduct, etc.) in greater detail and asked for continued cooperation from partners.



Briefing session on purchasing policy
in fiscal 2010



Shiseido environmental and
CSR information materials

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TOP > [With Our Shareholders]

With Our Shareholders

In addition to seeking to maximize corporate and shareholder value through expanded growth and improved profitability, Shiseido is committed to enhancing communication with shareholders to gain their understanding and trust through timely and adequate information disclosures and dialogue.

Information page for shareholders and individual investors

For investor information



[Click here for shareholders and investors information.](#)

Shiseido's Inclusion in SRI (Socially Responsible Investment) Indexes and Other Indexes

Socially Responsible Investment (SRI) indexes, which take account of companies that are highly trusted by society in terms of ethics, environment, employment and safety in their operations has gained society's attention in recent years. Consequently, companies included in SRI indexes are found to have both a high level of social trust and sound financial performance.

Shiseido received various evaluations from SRI evaluation institutions of countries worldwide and was selected for inclusion as a constituent company for SRI indexes in Japan and overseas. In this respect, Shiseido will continue to contribute to the development of a sustainable society and be consistently accountable by developing specific CSR activities that utilize Shiseido's strengths.

SRI indexes in fiscal 2009

Overseas, Shiseido has been continuously included as a company member for the FTSE4Good Global Index, a representative UK SRI index, as well as the Morningstar Socially Responsible Investment Index (MS-SRI) in Japan.

< Overseas Indexes >



* Shiseido has been continuously included since March 2007.



* Shiseido has been continuously included since June 2004.

< Japan Index >

Morningstar Socially Responsible Investment Index (MS-SRI)



* Shiseido has been continuously included since the launch of the index in July 2003.

Evaluation from External Evaluation Institution in Fiscal 2009

Date	Institution name	Detail
March 2010	The Japan Research Institute, Limited	Selected as "a company promoting advanced, socially responsible management" (See Note)

Notes

Providing information in various respects such as outstanding points of CRS initiatives to financial institutions that are operating SRI funds (including Sumitomo Trust and Banking Co., Ltd. and STB Asset Management Co., Ltd.). Shiseido has been selected every year since fiscal 2003 as a superior company in terms of socially responsible management.

Funds that are actually incorporated into SRI funds include the Kofuku SRI Fund (Kofuku Capital Management, Inc.)

With Our Employees: Shiseido "Shared Education" Declaration

Shiseido "Shared Education" Declaration

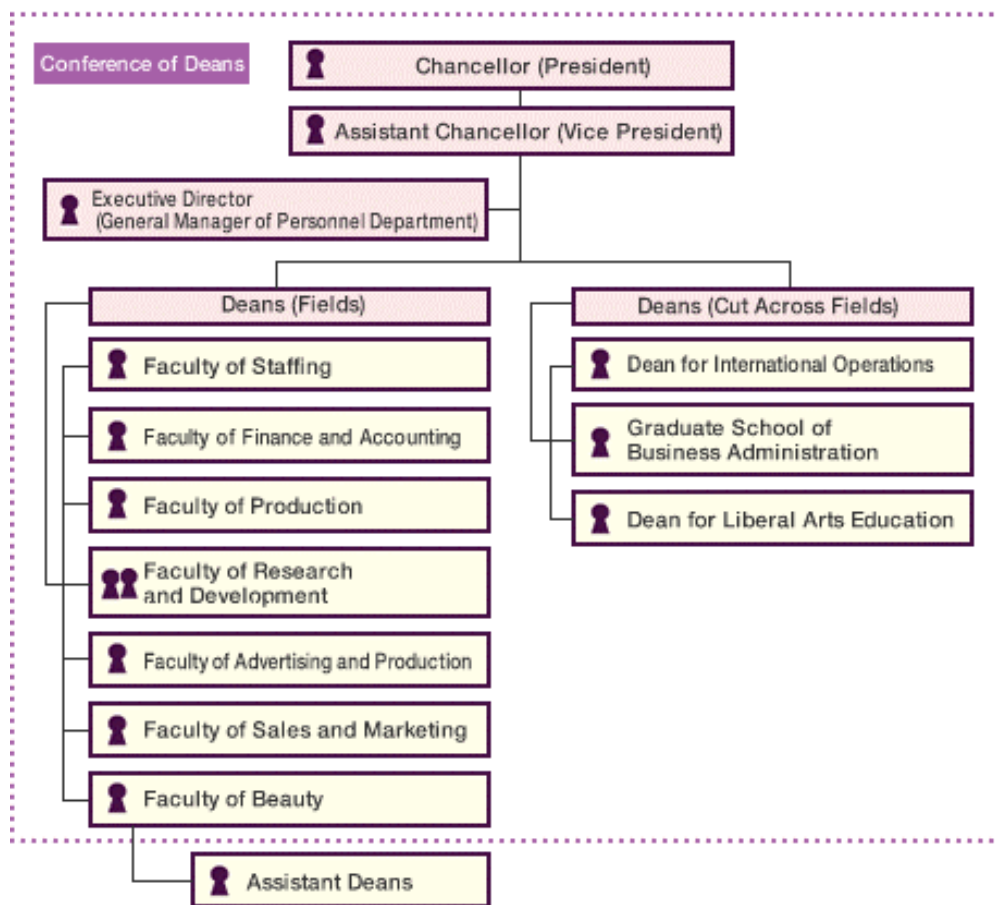
The successful implementation of Shiseido's management vision hinges on the people who carry it out. In other words, the development of interesting and talented people is directly linked to management.

When it was founded, Shiseido was widely known for its devotion to human resource development. That organizational culture has been passed down through our history and endures today, as reflected in the "Shared Education" Declaration adopted in 2006. The declaration seeks to cultivate people by linking the self-realization of workers and the growth of the company. We also established the "sense of beauty, autonomy, and the ability to change" as indicators of the skills and sensibility that we seek to cultivate, comprising a specific definition of what is meant by "interesting and talented people." Finally, we are working to create an environment where employees can develop through a process of mutual growth that is reinforced by daily guidance and training, personnel assignments, and evaluations by their supervisors.



Ecole Shiseido

In accordance with its "Shared Education" Declaration, Shiseido opened a corporate university called Ecole Shiseido in 2006 and launched a variety of training initiatives to implement the Company's human resources development policy and oversee companywide training. Approximately 110 training programs (fiscal 2009) are currently offered per year, including professional training in a variety of fields, new employee and management training that cuts across fields, and training to develop the skills required in upper management positions. While the president serves as the chancellor of the university, corporate officers take the lead in developing a pool of interested and talented employees by serving as the deans of the faculties in the university that correspond to their own areas of responsibility.



voice

Creating a Vibrant Organization That Simultaneously Realizes "Corporate Growth" and "Individual Growth"

Mitsuo Takashige
Executive Director, Ecole Shiseido
Corporate Officer and General Manager of Personnel Department



Personnel are among a company's most important management resources and assets and are responsible for creating and providing value beyond customers' expectations. Only human beings can create so several values from a single value. Since they are truly the source of value creation, their motivation and encouragement are essential. Shiseido will enhance its organizational vitality by strongly supporting each and every employee to be proactive toward realizing their potential through daily OJT training, fair evaluation, educational training and personnel transfer in accordance with what we anticipate to be the direction of future development.

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With Our Employees: Gender Equality Initiatives

Concept of Gender Equality and Promotion Structure

Shiseido promotes gender equality as part of its management strategy geared toward creating an organizational culture that enables continuous achievement of results by enhancing employees' vitality.

In addition to issues related to personnel affairs, Shiseido actively promotes activities aimed at "heightening corporate trust of employees who are major stakeholders of the Company" that goes beyond compliance. Moreover, the Company aims to increase the level of external business valuation by promoting advanced initiatives that are unique to Shiseido. In order to realize these goals, Shiseido established what is now the Gender Equality Project (originally the Gender Equality Department) in fiscal 2004 along with the CSR Committee headed by the Vice President for determining and verifying progress of the Gender Equality Action Plan.

Progress to Date

Since 90% of its customers are female, Shiseido focuses on providing new products and services by recognizing women's values and current lifestyles. In this respect, it is indispensable for female employees, who comprise 70% of overall employees, to play a central role in Shiseido's management and business activities. Accordingly, Shiseido has introduced various support measures in order to balance work and childcare and nursing care since 1990. (See reference.)

As a means of further augmenting these initiatives implemented from fiscal 2005, Shiseido has formulated and promoted its Gender Equality Action Plan aimed at realizing the three pillars of 1) cultivating an organizational culture that seeks to change employees' awareness and actions by spreading the concept of gender equality within the Company, 2) training and promoting leaders with a view toward accelerating participation of women in the Company's management and decision-making and 3) realizing a work-life balance (Phase 1: fiscal 2005-2006/Phase 2: fiscal 2007-2009). As a result, Shiseido is at a stage in which a "balance" between work and childcare can be achieved, as evidenced by 1,116 employees taking parental leave, 1,252 employees taking time off to care for their children, 28 employees taking nursing care leave and 16 employees taking nursing care work hours in fiscal 2009.

Overview of Third Phase of Gender Equality Action Plan

In Phase 3 of the Gender Equality [Action Plan](#) being implemented from fiscal 2010 to fiscal 2012, based on the activity theme of "firmly establishing a corporate culture in which female leaders are continuously promoted," Shiseido has devised specific action plans with an emphasis on the two key issues of "strengthening the appointment and promotion of female leaders and human resources development" and "reviewing how employees work to improve productivity."

Moving forward, Shiseido will aim to further energize organizational capabilities by enabling employees with diverse values to take active roles, thereby reaching a stage in which both men and women can advance their careers while balancing childcare and nursing care.

Shiseido Gender Equality Initiatives (Fiscal 2005~)



*Action Plan

Theme 1: Strengthening the appointment and promotion of female leaders and human resources development

No	Action Plan
1	Plan and promote human resources development plan and promote the appointment of female leaders as a means of enhancing organizational capabilities with the aim of achieving a 30% ratio of female leaders by fiscal 2013 (19% in fiscal 2009).
2	Strengthen personnel transfers of female employees for the purpose of expanding their professional experience.
3	Hold Career Support Forum nationwide with the aim of raising the awareness of female employees regarding their careers.

Theme 2: Reviewing how employees work to improve productivity

No	Action Plan
1	In conjunction with initiatives to develop excellent personnel and workplaces, which have been promoted since fiscal 2007, undertake various measures by continuously improving how employees work, including establishing operational reforms, reducing overtime, leaving work on time, redefining job descriptions and developing standard procedures for management and reporting duties.
2	Develop criteria for improving operational productivity in workplaces and carefully consider business assessments and personnel evaluations.
3	Introduce system of working at home for employees who are balancing work and childcare and nursing care. *The system is slated to be introduced from fiscal 2011.

Looking Back on the Shiseido Gender Equality Action Plan (Phase 1 and Phase 2)

Shiseido's Gender Equality initiatives were launched in fiscal 2005 based on the following aims and concepts.

- 1) Maximize the capabilities of female employees, who comprise over 70% of overall employees, with the aim of improving management performance
- 2) Since 90% of Shiseido's customers are female, achieve corporate growth by reflecting women's values into product and service development

Based on these fundamentals, Shiseido established an ultimate vision to "enhance and maximize each and every employee's capability and enthusiasm regardless of gender, thereby helping to energize the organization and corporate growth." In order to improve these organizational capabilities, Shiseido considered it necessary to "further promote initiatives of female employees" and established a distinct goal to "achieve a 30% ratio of female leaders in the Shiseido Group, "whereby launching the Shiseido Gender Equality Action Plan in fiscal 2005.

Shiseido has promoted its Gender Equality Action Plan over a five-year period through Phase 1 (fiscal 2005-2006) and Phase 2 (fiscal 2007-2009), which were aimed at realizing the three pillars of "cultivating an organizational culture that seeks to change employees' awareness and actions by spreading the concept of gender equality within the Company," "training and promoting leaders with a view toward accelerating

participation of women in the Company's management and decision-making," which has been developed based on the first pillar and is an essential theme for further promoting initiatives of female employees, and "realizing a work-life balance." In terms of "realizing a work-life balance," Shiseido has developed improvement measures by focusing on the two issues of "balancing work with childbirth, childcare and nursing care" and "reviewing how employees work," including ameliorating long working hours.

Balancing work with childbirth and childcare

Looking at the number of employees who acquired maternity/paternity leave and child-rearing work hours, which are indicators of achievement in "supporting balance of work with childbirth and childcare," 1,116 employees took parental leave and 1,252 employees took time off to care for their children in fiscal 2009. These figures are significant among domestic manufacturers of consumable goods and Shiseido may be considered as the leading company in this area.

Number of Shiseido Group employees who used childcare system in Japan



Specific Initiatives to Support Work-Life Balance

Introduction of Kangaroo Staff System (2007)

The Kangaroo Staff system was introduced as a measure to support Beauty Consultants (BCs) to take time off for childcare, which was previously considered difficult. With this introduction, Shiseido sought to resolve issues that have existed for

many years regarding balance between work and childcare for BCs who are working at the "storefront" (at a workplace outside the Company). As a result, approximately 3.2 times more of BCs took child-rearing work hours compared with before the system was introduced.

Extending the relevant age of child-rearing work hours up to the third grade in elementary school (2008)

Establishing a system to "extend the use of child-rearing work hours for children up to the third grade in elementary school" has reduced worries of employees who have children in the third grade and younger in elementary school, which was considered as the "second drawback for realizing work-life balance."

Men's Support in Childcare

As a result of consistent initiatives, such as introduction of seminars for fathers and parental leave, a total of seven male employees took short-term parental leaves during fiscal 2009.

Also, balancing work with childbirth and childcare achieved the greatest results among the Action Plan initiatives by continuously promoting various systems. For example, the initiative to offer "leave to accompany spouse when transferred overseas" nearly resolved a problem of female employees who have no choice but to leave work due to childbirth and childcare in various workplaces and professional fields.

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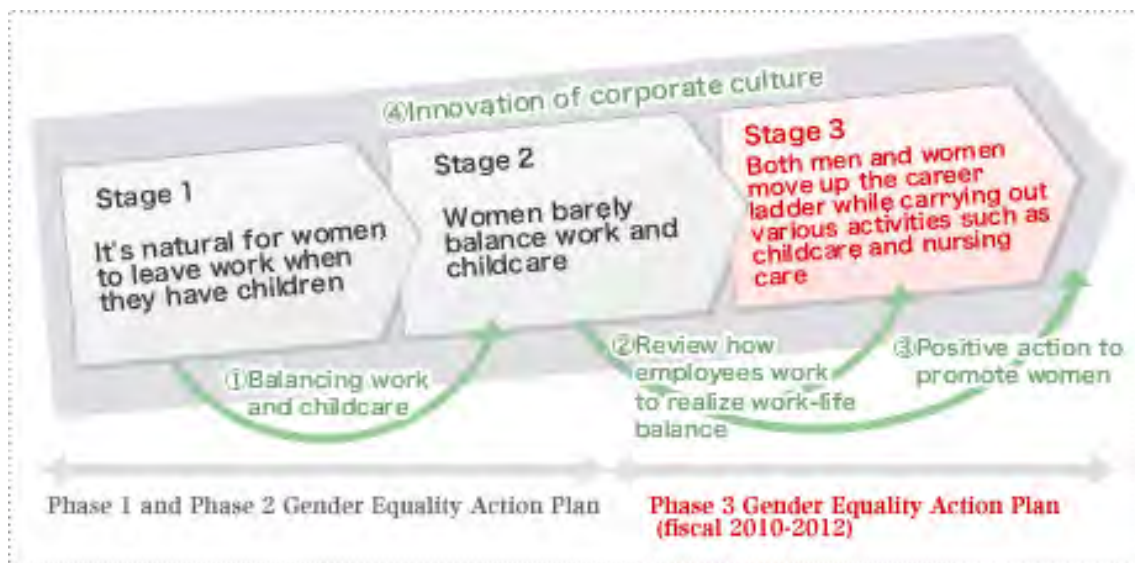
Future Issues

The number of employees who will continue to work by utilizing the short working hours system due to childcare and nursing care is expected to increase significantly in the future. For this reason, it will be an essential task to acquire skills for time management, risk management and communication in order to achieve steady results within limited working hours by becoming more aware of how an individual works.

Also, supervisors are expected to manage by considering situations of each and every employee who seeks to balance work and life, thereby enhancing their motivation to work.

Summary of Achievements of the Past Five Years and Future Direction

Active roles of women in society



Shiseido reached the stage of "an ideal company in which employees can continue working while giving birth and raising children"

Until now, Shiseido's activities have achieved consistent results centered on "balancing work and childcare." In terms of the foundation of gender equality, the Company has significantly improved systems particularly in the area of "supporting balance of work and childcare."

While many domestic companies are aware that "it's natural for women to leave work when they have children," Shiseido reached the second stage of realizing that "Women barely balance work and childcare."

Entering a stage in which "the company enables employees to climb up the career ladder while raising children and carrying out nursing care"!

Shiseido considers supporting work-life balance as a process that leads to a next stage that we are about to take on as a challenge. In other words, it is a process of building a foundation toward the next step that we aim to take, and now is a crucial stage for Shiseido in terms of gender equality activities

Specifically, Shiseido will make progress toward "both men and women moving up the career ladder while carrying out various activities in their lives such as childcare and nursing care" from a stage in which "women barely balance work and childcare. In this context, balance means balance in various aspects of life besides work, such as lifelong learning and volunteer activities rather than merely childcare and nursing care. Shiseido considers aspects of work-life balance as initiatives directed toward "maximizing organizational power" instead of simply being measures to support employees raising children.

Achieving this final stage will enable Shiseido to realize the purpose of bringing out women's abilities to the fullest and maximizing organizational capabilities. Also, in order to achieve this stage, key issues will include taking "positive actions for nurturing and promoting female employees" as well as "establishing ways for employees to work toward realizing work-life balance," or in other words, establish ways of working that raise hourly productivity" and create a culture in which such approaches will be recognized.

Phase 3 of Gender Equality Action Plan (Fiscal 2010 to Fiscal 2012)

Basic Policy of Phase 3 of Gender Equality Action Plan

Basic Policy	Firmly establish a corporate culture in which female leaders are continuously promoted
Key issue1	Strengthening the appointment and promotion of female leaders and human resources development
Key issue2	Reviewing how employees work

Basic Policy

The aim of gender equality activity is to "enhance and maximize each and every employee's capability and enthusiasm regardless of gender, thereby helping to energize the organization and corporate growth." According to this purpose, Shiseido will promote affirmative action* in Phase 3 of the Gender Equality Action Plan from the standpoint of "enabling women to take a central role in the organization." Under Phase 3, Shiseido has actively adopted the theme of "firmly establishing a corporate culture in which female leaders are continuously promoted."

Key Issues

Phase 3 of the Gender Equality Action Plan will be comprised of specific action plans according to the three themes of "nurturing and promoting female leaders," "reviewing how employees work" and "support balancing work and childcare." In particular, Shiseido will emphasize the two key issues of "strengthening the appointment and promotion of female leaders and human resources development" and "reviewing how employees work."

Initiatives Targeting All Employees and Affirmative Action

"Nurturing professional personnel by field" and "realizing work-life balance" will be promoted targeting all employees. Additionally, an [Action Plan](#) will be implemented for all female employees as part of affirmative action.

Notes

Positive Action refers to "intentional" activities for nurturing and promoting female employees. It is also referred to as autonomous and proactive initiatives carried out by the Company to resolve gaps occurring between men and women due to rigid gender roles and preconceptions leading to, for example:

*Females barely assigned to sales force

*Majority of management positions from section manager on up occupied by men

Rather than a framework to give preferential treatment to female employees simply because of their gender, it is an initiative to "correct" situations where women work in environments in which they find it is more difficult for them than for men to exercise their capabilities for various reasons, including previous practices and rigid gender roles. Specifically, affirmative action includes implementation of effective measures to promote active participation of women in operations including employment, clarification of job responsibility, assignment, evaluation, promotion and transfer.

Overview of Work/Childcare and Nursing Care Programs Previously Introduced by Shiseido

Support Program	Year Introduced	Details
Maternity/paternity leave	1990	A system by which employees may take leave after having a baby until the child is three years old for a total of up to five years (Employees may take leave a total of up to three times for the same child in the case of special circumstances. <Revised in 2009>)
Child-rearing work hours	1991	A system by which employees may shorten work hours by up to two hours a day if they have children in up to the third grade of elementary school.<Revised in 2008>
Nursing care leave	1993	A system by which employees can take up to one year off at a time per family member for a total of up to three years.
Nursing care work hours	1993	A system by which employees may shorten work hours by up to two hours a day for up to one year at a time per family member for a total of up to three years.
Cafeteria system for childcare support (fixed annual amount)	1998	A system by which employees can receive a fixed annual subsidy to offset childcare fees for children in nursery school.

Support Program	Year Introduced	Details
Cafeteria system for childcare support (as needed)	1998	A system by which employees can receive a need-based subsidy to offset the cost of extended childcare for a babysitter, daycare center or other childcare facility if they have children in up to the third grade of elementary school.
Childcare plan	1999	A plan implemented to improve communication structures that enable employees to confirm with their managers the process from pregnancy onward to return to the workplace.
Kangaroom Shiodome	2003	An in-house daycare center for Shiseido employees' children at the Shiodome Office. Accommodating a fixed number of children, the center is also partially open to the children of employees of nearby companies.
Short-term paid parental leave	2005	A system by which employees may take leave up to two consecutive weeks until the child is three years old. This short-term paid parental leave system encourages male employees to take leave.
Nursing care leave system for children	2005	A system by which employees may take paid leave if they have children not yet enrolled in elementary school who require nursing care due to sickness or injury. Employees may take leave of up to five days per year for one child and up to ten days for two or more children per year. (Paid leave) Half-day leave is also permitted.<Revised in 2010>
Childcare support center	2006	Medical office staff at the head office provide support centering on health issues, including various concerns or questions related to pregnancy, birth and child-rearing.
Maternity wear	2006	A system in which maternity wear is provided for BCs.
Kangaroo Staff system	2007	A system by which alternative staff relieve BCs taking time off for childcare.
Guidelines governing transfers of employees with childcare and nursing care responsibilities	2008	A system of rules that prevents transfers of employees that would require them to move while taking time off for childcare or nursing care.
Spousal accompaniment for childcare	2008	A system by which employees with childcare responsibilities (e.g., with children up to the third grade in elementary school) may request to accompany their spouse who is transferred within Japan.
Leave to accompany spouse when transferred overseas	2008	A system by which the company allows up to three years of leave so that employees can accompany spouses who are transferred overseas.

TOPICS

Gender Equality Affirmative Action - Holding Career Support Forum

The Career Support Forum is held in order to realize the activity theme of "firmly establishing a corporate culture in which female leaders are continuously promoted," established under Phase 3 of the Gender Equality Action Plan, as well as to disseminate information internally.

This forum enables female employees to take initiatives to consider developing careers by themselves with the aim of gaining independence and professional awareness. The program is comprised of various sessions including a message from top management, sharing the experience of outstanding employees, a Q&A session, viewing and listening to a lecture by an external instructor via DVD and discussions.

As the first phase, Career Support Forum 2009 was held on March 25, 2010 for female employees and management working near Shiodome. The forum had significant impact on 155 participants and various comments were received such as "the forum provided an opportunity to air thoughts about developing one's own career and improving operational efficiency." Shiseido plans to develop this program and make this kind of event nationwide.

Career Support Forum



Basic Program in Fiscal 2010

Introduction of "Phase 3 Gender Equality Action Plan" basic policy	Vice President Kimie Iwata, Shiseido Company, Limited
Introduction of Action Plan	Personnel Department
Toward innovating how employees work – Lecture by external instructor via DVD – Tsuneo Sasaki, Toray Corporate Business Research, Inc.	Summary (Discussion)

TOP > [Initiatives with Stakeholders] With Our Employees: Action Plan for Supporting the Development of the Next Generation

With Our Employees: Action Plan for Supporting the Development of the Next Generation

Action Plan for Supporting the Development of Next Generation

Shiseido has acquired the next-generation certification mark "Kurumin" in May 2007. This mark is accredited to companies that have achieved the goals of the "action plan for supporting the development of the next generation" based on the Law for Measures to Support the Development of the Next Generation.

Shiseido has formulated Phase 3 of an action plan for supporting the development of the next generation commencing from fiscal 2010, thereby promoting various initiatives such as "supporting a balance of work and childcare" and "reviewing how employees work."



Shiseido Company Limited Action Plan for Supporting the Development of Next Generation (From April 1, 2010 to March 31, 2013)

Aim		Specific Action Plan	Timing
Ameliorate long working hours		Continue switching off lights at 10 p.m. and expand weeks of switching off lights at 8 p.m. (Phase 3 Gender Equality Action Plan)	FY2010 to FY 2011
		<u>Career support measure for female employees</u> Holding of Career Support Forum for Female Employees (Phase 3 Gender Equality Action Plan)	FY2009 to FY 2012
Support balancing work/childbirth, childcare and nursing care	In response to law amendment	Improve alternative staff system for comprehensive work employees taking maternity/paternity leave From fiscal 2010, consider employing "contract employees" and "temporary employees" as alternative staff in principle.	FY2010 onwards
		Make exemption from overtime working hours obligatory due to childcare and nursing care Expand the period of accepting requests for exemption from overtime work and work on holidays up until March 31, until the child becomes a fourth-grader in elementary school (amendment of employment regulations) Also, inclusion of employees taking nursing care work hours in this system will be discussed based on labor-management consultations during fiscal 2010.	System introduced in April 2010
		Expansion of nursing care leave system for children For one child: 5 days (paid leave), For two or more children: 10 days (paid leave) Half-day leave: Up to 20 days/year *Vaccination and health check are also permitted (Ordinance of the Ministry of Health, Labor and Welfare (proposal))	System introduced in April 2010
		Additional parental leave for moms and dads (tentative name) Permit contract employees to take parental leave until the child is 14 months old. *Measures are taken for regular employees	System introduced in April 2010
		Encouraging fathers whose infants are less than 8 weeks old to take paternity leave Fathers who acquired paternity leave within 8 weeks after their spouses gave birth may take paternity leave again.	System introduced in April 2010
		Establishment of short-term nursing care leave Establish short-term nursing care leave to accommodate employees who will accompany a family member under nursing care (Up to 5 days/year for one family member and up to 10 days/year for two or more family members.)	System introduced in April 2010
		Measure for the next generation	

Bring Your Kids to Work Day

Shiseido has been holding Bring Your Kids to Work Day as a means of addressing the Law for Measures to Support the Development of the Next Generation promoted by the Japanese government. On this day, elementary and middle school children of Shiseido employees are invited to the Company, where various activities are organized, including a talk with the president and a visit to their parent's workplace. This event is being held during the summer holiday period since fiscal 2005. Various programs are held every year for this day with the aim of accomplishing the three goals of "expressing the Company's appreciation for employees and their families," "promoting Work/Life Balance" and "encouraging independence through deepening children's understanding and interest toward work." Activities held at Shiodome Office on August 26, 2010, included "Making Hair Wax" as well as a reception hosted by the president to greet children, workplace visits, and other activities.

Participating children made their own hair wax containers by decorating them with stickers and drawing colorful designs on them with oil-based markers. Then they had their hair done by a Shiseido stylist using their own wax.

"Bring Your Kids to Work Day" is held not only at the Shiodome Office, but also at Shiseido factories and other facilities. During 2010, a total of 150 children participated in events held at the Kamakura Factory, Kakegawa Factory and Kuki Factory, in Japan.



Exchanging business cards during a workplace visit



Making hair wax



Children having their hair done by a Shiseido stylist

TOP > [Initiatives with Stakeholders] With Our Employees: Creating an Environment in Which Employees Can Raise Their Children and Continue Working with Peace of Mind - Kangaroo Staff -

With Our Employees: Creating an Environment in Which Employees Can Raise Their Children and Continue Working with Peace of Mind - Kangaroo Staff -

Creating an Environment in Which Employees Can Raise Their Children and Continue Working with Peace of Mind - Kangaroo Staff -

Shiseido introduced the Kangaroo Staff program in 2006 as a way to support retail activities during evening hours by having temporary workers take the place of Beauty Consultants (BCs) working in customer service so that they can take time off to care for their children. This program has enabled us to create a workplace environment that allows BCs who have difficulty balancing the competing demands of work and childcare to have children with peace of mind, secure in the knowledge that they will be able to care for them while pursuing Shiseido's 100% customer-oriented philosophy at work.

When the program was first introduced, approximately 600 Kangaroo Staff members provided support for about 500 BCs who took advantage of the child-rearing work hours program. In April 2010, the Kangaroo Staff program was expanded to about 1,200 staff to provide support for approximately 800 BCs taking time off to raise their children.

voice

Beauty Consultants (BCs) to take time off for childcare

Tomoko Fukuda
Shuto Ken Branch Office, Shiseido Sales Co., Ltd.



A system that enables me to take time off for childcare has made it easier for me to balance work and childcare. I am extremely grateful to the Company for creating such an environment and the Kangaroo Staff, who are offering support. I realize now that childcare is a growing topic in the professional field in terms of communication with customers and proposals. I would like to pass on such experience to upcoming fellow BCs.

Kangaroo Staff

Yukari Takenouchi
Shuto Ken Branch Office, Shiseido Sales Co., Ltd.



I was motivated by this system and began working as a Kangaroo staff member. I was confused with many things at first; however, thanks to the support from colleagues, I am now able to carry out activities with a sense of fulfillment from the smiles of BCs who are taking time off for childcare and customers making the experience truly worthwhile.

With Our Employees: Physical and emotional wellness

Physical and mental health initiatives

Shiseido is pursuing companywide personal development as it strives to achieve its vision of filling the Company's organization with interesting and talented people. It is of paramount importance that each and every employee be able to work in a fresh and lively manner, healthy in body and spirit, and we believe that healthy living is the foundation of personal development.

We have established targets to guide the practice of health management, an approach that promotes employee health from a business management perspective based on the belief that healthy living is in the interest of both the individual and the Company. Working toward these targets, in May 2007 we published a pamphlet entitled *Achieving Physical and Mental Health* and announced future policies to all employees. The pamphlet, which begins with a foreword from President Shinzo Maeda, provides information concerning Shiseido's basic health management policy, health management programs, and the importance of prevention and primary prevention efforts (prevention of disease and health promotion). It also includes a declaration from the Company concerning four health projects: preventing adult-onset diseases, discouraging tobacco use, providing mental healthcare and supporting women's health.

(1) Preventing adult-onset diseases

The Company arranged lectures on the need to prevent adult-onset diseases at position-specific training sessions attended by employees at ages where such diseases can be effectively prevented (career development training for employees receiving SIII promotions).

(2) Discouraging tobacco use

While all worksites previously have implemented no-smoking days in conjunction with World No Tobacco Day, Shiseido no-smoking days are implemented on the first day of each month since June 2009.

The Company implements a non-smoking support program for applicants.

(3) Providing mental healthcare

In addition to outside counseling offices, in April 2008 we established an internal mental health counseling office in partnership with specialized counselors and medical staff and industrial health staff.

(4) Supporting women's health

Since February 2009, the Company has been implementing nationwide health enlightenment seminars addressing physical changes and diseases to which women are susceptible, with a focus on the female life cycle.

The Company established a Child Care Support Center, where industrial

physicians and occupational health nurses address various work-related health anxieties and questions concerning pregnancy, childbirth and child rearing.

While sharing the aforementioned four health programs across the Shiseido Group, to ensure that these programs function effectively, the Company regularly holds a Hygiene Council seminar (initiated in January 2008) to discuss companywide promotion of health programs. Participants include the human resource managers of Shiseido Group companies, industrial physicians, occupational health nurses, regular nurses and other industrial health staff, labor union representatives, staff from the Head Office Personnel Department and health insurance union representatives.

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TOP > [Initiatives with Stakeholders] With Our Employees: Work Improvement Proposal System (Chie-Tsubaki Proposal System)

With Our Employees: Work Improvement Proposal System (Chie-Tsubaki Proposal System)

Work Improvement Proposal System (Chie-Tsubaki Proposal System)

Shiseido believes it is the willingness of individual employees to meet challenges and take action that drives reform of the Company forward. We launched the Chie-Tsubaki Proposal System in June 2006 to enable all employees to participate in the reform process by submitting ideas on how operations can be improved. Through this initiative, we have collected more than 240,000 suggestions so far.

The system provides a mechanism for evaluating proposals made by employees based on their creative problem-solving and improvement efforts. Proposals that receive a favorable evaluation are presented directly by the submitting employee to the Company's president and directors, who evaluate the proposal and recognize the employee's contribution. Individuals and worksites that are actively involved in submitting ideas on an ongoing basis are also recognized.

By continuing this initiative, the Company is seeking to increase individual employees' awareness and willingness to take action, thereby creating an organizational culture in which individuals can make improvements, no matter how small, on their own initiative, and to foster the development of thoughtfulness toward other employees.

Proposals that can be implemented horizontally across the organization are applied companywide to help gain new customers and streamline operations.

voice

My Chie-Tsubaki Proposal is to Integrate Small Changes to Make Customers Happy

First Place, Annual Individual Proposal Award<*> (Beauty Category), Fiscal 2009
Yuki Satake, AYURA Partner
AYURA Laboratories Inc.



My proposal is not a major initiative to directly change the Company. Rather, I continuously make proposals, considering that sharing wisdom as much as possible may resolve my colleagues' and others' problems, or provide hints to other ideas. I will continue trying to integrate small changes to satisfy customers along with my colleagues.

Continue to Take On Challenges by Always Considering "What I Can Do"

First Place, Annual Individual Proposal Award<*> (General Category), Fiscal 2009
Naoki Miyashita, Kakegawa Factory



I have been proposing improvements by focusing on "organizing production sites" and "visualizing production," which are considered to be grassroots functions of a factory, with a desire to "make Kakegawa Factory into a top factory" in all areas of improving safety, quality and productivity. Looking ahead, I hope to take on the challenge of the Chie-Tsubaki System by always considering "what I can do" and being conscious about customer satisfaction and market needs.

Chie-Tsubaki is a KPI For Our Operations that Require Continuous Innovation

First Place, Outstanding Workplace Award<*>, Fiscal 2009
Business Administration Department, China Business Division, Head Office

We are constantly expected to pursue innovation since our mission is to develop new China business structures. The number of Chie-Tsubaki proposals is our Key Performance Indicator (KPI) to measure "the extent to which we achieved innovation" and we are quite delighted to have been awarded First Place status for two consecutive years. We will further undertake efforts to promote operational innovations.

(Takumi Katayama, former General Manager of Business Administration Department)



Realizing Once Again the Importance of "Undertaking Continuous Efforts to Diligently Carry Out Appropriate Actions to Make Customers Happy"

Second Place, Outstanding Workplace Award, Fiscal 2009
AYURA Laboratories Inc.

We are delighted that we received the Outstanding Workplace Award while our AYURA Partner achieved First Place in the Annual Individual Proposal Award (Beauty Category) for two consecutive years. Stores in which award recipients in the Beauty Category work are performing well amid harsh market conditions. Again, we realize the importance of "making continuous efforts to diligently carry out appropriate actions to make customers happy." We will continue making efforts by accumulating improvements in our daily operations with the

aim of promoting such favorable achievements.

(Atsushi Shimomura, President & CEO, AYURA Laboratories Inc.)



Award Results from Each and Every Member Thinking of "How We Can Raise Our Level and Make Customers Happy"

Third Place, Outstanding Workplace Award, Fiscal 2009
Brand Sales Division, Department Stores (NARS)

The current award is the result of accumulated efforts by all makeup artists to seriously consider "how we can raise our level" through everyday store activities and I am proud of everyone's efforts in this regard. Receiving this award at this time is an opportunity for makeup artists to make concerted efforts to further enhance customer satisfaction and raise NARS brand value.

(Division Manager Shuu Kinoshita)



- * Annual Individual Proposal Award: An award that recognizes employees who have submitted proposals on an ongoing basis throughout the year. Awards are presented in both Beauty and General categories.
- * Outstanding Workplace Award: An award that recognizes business offices or divisions in which many employees have participated in improvement activities and submitted many proposals throughout the year. The top three offices and divisions are awarded.

TOP > [Initiatives with Stakeholders] With Our Employees: Aiming to develop a workplace in which all employees can work enthusiastically

With Our Employees: Aiming to develop a workplace in which all employees can work enthusiastically

Hanatsubaki Factory

In January 2006, Shiseido established the Hanatsubaki Factory Co., Ltd., a special subsidiary<*> staffed primarily by developmentally challenged individuals, as part of an effort to create a workplace where all employees can actively engage in work. Currently, 22 developmentally challenged individuals are working at three sites, including in Sumida, Shiodome and Osaka.

Staff at the Sumida site process makeup products such as Integrate by applying labels and packing the products for shipment. At Shiodome Workplace and Osaka Workplace, workers help create a clean, comfortable office environment by providing services such as cleaning Shiseido offices, collecting recyclables, and disposing of confidential documents.

Energetic greetings, a polite attitude and earnest, precise work are also highly regarded within the Shiseido Group.

Going forward, Shiseido is committed to redoubling its occupational development initiatives in order to promote the independence and employment of persons with disabilities.

* Special subsidiary: A company established under Japan's special subsidiary system with the goal of promoting the employment of individuals with disabilities. Special subsidiaries offer jobs and facilities that have been specifically designed to accommodate workers with disabilities.



Employees perform production work at the Sumida Workplace.



Employees collect recyclables at the Shiodome Workplace.



Employees organize forms at the Osaka Workplace.

TOPICS

Shiseido Received Minister of Health, Labour and Welfare Award at a National Awards Presentation Ceremony as an Excellent Example of an Enterprise Employing Persons with Disabilities

On September 2, 2009, Shiseido received the Minister of Health, Labour and Welfare Award 2009 at a national awards presentation ceremony as an excellent example of an enterprise employing persons with disabilities as nominated by the Association of Employment Development for Citizens, Tokyo.

On September 2, 2009, Shiseido received the Minister of Health, Labour and Welfare Award 2009 at a national awards presentation ceremony as an excellent example of an enterprise employing persons with disabilities as nominated by the Association of Employment Development for Citizens, Tokyo.

On that day, former Minister of Health, Labor and Welfare Yoichi Masuzoe greeted participants and commendation certificates were presented thereafter in recognition of being "an excellent example of an enterprise employing persons with disabilities," "the best poster of publicizing Disability Employment Support Month" and "good example of improvement of a workplace for persons with disabilities." Shiseido received the award at this time in recognition for being a company with an employment rate of persons with disabilities (2.88% as of June 2009) surpassing the rate stipulated by law, which has been achieved through continuous efforts to employ persons with disabilities via its special subsidiary, Hanatsubaki Factory Co., Ltd. Additionally, Shiseido was acknowledged for promoting other measures such as conducting follow-up training and interviews during the first and second year after joining the company to enhance employee motivation, as well as internal enlightenment activities and promoting barrier-free offices and training sites directed toward creating a comfortable work environment.

Shiseido is seeking to "realize normalization" with the aim of becoming a company in which all employees including women, the elderly and persons with disabilities can enthusiastically work with a shared sense of enjoyment. Regarding employees with disabilities, Shiseido establishes mottos conveying efforts to "place serious expectations on employees," "consider certain needs, but not according special treatment" and "actively support employees who want to put forth their best efforts." By firmly establishing these ideas in the Company, Shiseido is actively assigning meaningful work to such employees rather than support tasks as a means of nurturing rewarding careers.

As the award recipient, Shiseido will continuously strive to promote active employment and develop a workplace in which employees can gain a sense of satisfaction.



Mr. Koji Kubo, Diversity Group, Personnel Department, receiving a certificate of commendation



Hanatsubaki Factory Co., Ltd.

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TOP > [Initiatives with Stakeholders] With Our Employees: Toward Building Favorable Labor-Management Relations

With Our Employees: Toward Building Favorable Labor-Management Relations

Toward Building Favorable Labor-Management Relations

Based on the concept that "favorable labor-management relations are fundamental to corporate management," the Shiseido Group actively promotes information sharing regarding general corporate activities and discussions with employees to resolve issues in a concerted manner.



Employee briefing
regarding Company policies at
business offices (Kamakura Factory)

Shiseido Company, Limited and certain Group companies' (including overseas subsidiaries') employees are organized according to labor unions.

In Japan, Shiseido's labor union, representing Shiseido Company, Limited, Shiseido Sales Co., Ltd. and certain affiliates' employees, adopts and operates the Union Shop System (applicable to approximately 10,500 Shiseido Group employees in Japan as of April 1, 2010).

In the union agreement document, Shiseido Company, Limited and Shiseido's labor union confirmed aims to "recognize the social mission of Shiseido's business, strive to realize sound development of the Company and maintain and improve the economic and social status of employees, thereby sustaining labor-management relations based on goodwill and trust." On this basis, both parties aim to honor their mutual stance and hold management councils as well as labor-management discussions in consideration of various issues.

In fiscal 2009, joint consultations were actively promoted based on themes including "employees' work conditions and welfare" and "reviewing how employees work, work-life balance and correcting long working hours" to help optimize business operations.



Joint consultation between
the Company and labor union

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TOP > [Initiatives with Stakeholders] With Our Employees: Implementation of Employee Satisfaction Survey and Providing Feedback for Promoting Internal Activities

With Our Employees: Implementation of Employee Satisfaction Survey and Providing Feedback for Promoting Internal Activities

Implementation of Employee Satisfaction Survey and Providing Feedback for Promoting Internal Activities

The Shiseido Group Employee Satisfaction Survey is conducted once a year targeting all employees working at domestic business sites with the aim of "creating a dynamic organizational culture" in which each and every Shiseido Group employee is able to enthusiastically work in an open and transparent workplace and gain a sense of satisfaction toward their work.

This survey was initiated as part management reforms currently being promoted throughout the Shiseido Group. Shiseido must tackle a multitude of issues in order to promote such reforms, and employees are constantly expected to "change their awareness and actions." As these reforms proceed, various concerns may arise such as a gap between employees in terms of their awareness and efforts or motivation for undertaking such efforts may decline due to a sense of placing a heavier burden on employees. This in turn may reduce the speed of realizing Shiseido's vision. Consequently, based on the survey results, members of top management are taking the lead in listening to employees' opinions, clarifying current issues and utilizing the information to develop specific actions toward solving any concerns or problems.

Additionally, the results of the employee satisfaction survey are provided to employees via the persons in charge of respective workplaces. At the same time, all employees carry out initiatives in their respective workplaces to improve issues that have been identified in business operations and work environments.

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TOP > [Initiatives with Stakeholders] With Our Employees: Personnel Data

With Our Employees: Personnel Data

Personnel Data

Composition of Personnel in the Shiseido Group (Domestic) (as of April 1, 2010)

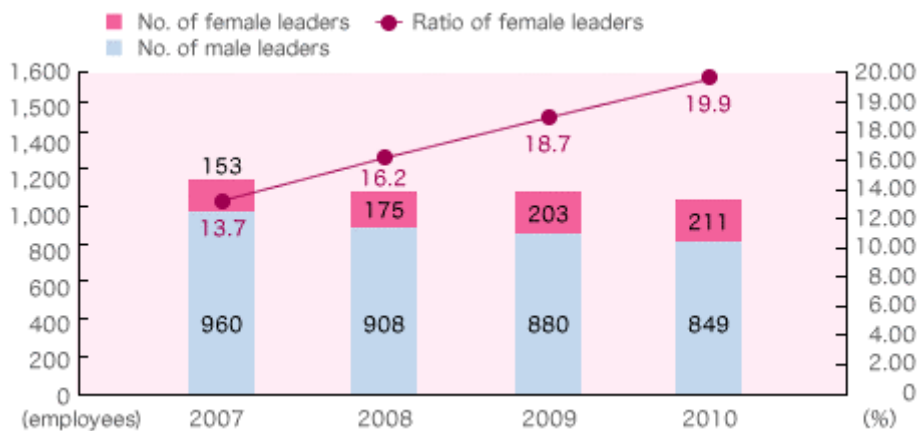
	Male	Female	Total
Managers	1,416	245	1,661
General	1,787	2,760	4,547
Beauty Consultants	14	7,157	7,171
Others (part-time and temporary)	128	107	235
Affiliate employees	413	1,250	1,663
Subtotal	3,758	11,519	15,277
Limited-term contract	664	9,879	10,543
Total	4,422	21,398	25,820

Composition of Overseas Employees (As of December 31, 2009)

	Male	Female	Total
Manager and above	578	651	1,229
General employees	1,452	11,426	12,878
Part-time	24	612	63
Total	2,054	12,689	14,743

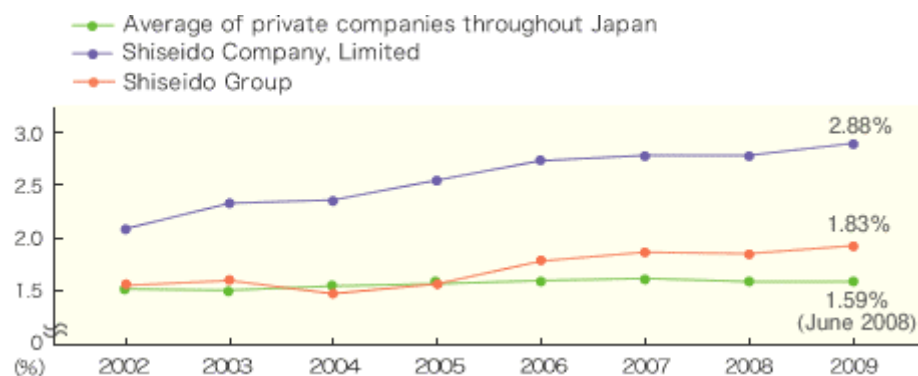
* Ratio of female managerial positions in overseas managerial positions: 52.97% (As of December 31, 2009)

Change in No. of Leaders and Ratio of Female Leaders



* Leader: Since fiscal 2006, Shiseido has defined the "leader" post separate from the qualified manager position evaluated based on an ability-based qualification scheme. Managers who manage and evaluate their staff are collectively referred to as "leaders".

Percentage of Developmentally - Challenged Employees



Work-related accidents (Domestic)

	2004 Work- related accidents	2005 Work- related accidents	2006 Work- related accidents	2007 Work- related accidents	2008 Work- related accidents	2009 Work- related accidents
Head office	11	2	7	4	3	4
Factories and research centers	8	12	10	6	1	4
Sales companies	5	12	20	9	6	10
Affiliates	22	29	27	4	0	3
Total	46	55	64	23	10	21

* Figures are for the number of incident reports submitted

* No fatal accidents over the past three years

TOP > [Initiatives with Stakeholders] With Our Society: Activities to Support Academic Research

With Our Society: Activities to Support Academic Research

We are pursuing a program of social activities that takes advantage of our accumulated knowledge and technology in order to create a beautiful lifestyle, which is one of our corporate ideals.

Activities to Support Academic Research

In addition to continuing support for academic conferences in dermatology, Shiseido has helped fund research in this area for nearly 40 years. The Company helps to raise the level of research in the discipline by actively publicizing associated research results.

Grants to Research Institutions in Fiscal 2009

Name	Description of grant	Award per grant	Total grants and total awards	Start of grant period
Japanese Dermatological Association basic medical research grant (Shiseido donation)	To support basic and clinical medical research in the area of dermatology jointly with the Japanese Dermatological Association	0.5 million yen	12 grants 6 million yen	1967
The Japanese Society for Investigative Dermatology Fellowship Shiseido Award	To support basic research in dermatology jointly with the Japanese Society for Investigative Dermatology	1 million yen	2 grants 2 million yen	1998
Shiseido Female Researcher Science Grant	To support the research activities of female researchers in the natural sciences	1 million yen	10 grants 10 million yen	2007
Society grants	To subsidize academic conventions and research activities, centering mainly on dermatology-related societies	-	10 grants 2.08 million yen	-

* Shiseido introduced the Shiseido Female Researcher Science Grant, which supports the research activities of outstanding female researchers specializing in the natural sciences. At the same time, the Shiseido Science Research Grant which was launched in 2003 was discontinued (effective at the end of fiscal 2006).

[Click here for the details of activities for supporting female researchers.](#)

Camellia Club Medical Foundation Incorporated/ Minami Aoyama Dermatology Skin Navi Clinic

In response to Japan's aging population and significant changes in the environment for medicine as well as the quality of medical care itself, Shiseido established the Minami Aoyama Dermatology Skin Navi Clinic using donations from the Camellia Club Medical Foundation Incorporated in an effort to help improve quality of life (QOL) for all individuals.

The desire to enjoy lifelong beauty, health, and happiness is not unique to women but rather a common goal of all people. By harnessing the dermatological knowledge gained through collaboration with Shiseido research and development in aesthetic medicine and the development of cosmetics, the clinic will search for safer, more effective preventive methods and medical treatments.

Our achievements in research in aesthetic dermatology have been recognized by the Japanese Society of Aesthetic Dermatology in each of the three years since 2004. Today research in topics such as chemical peeling using glycolic acid, tranexamic acid ion implantation and pore contraction using Glycylglycine is contributing to the development of new cosmetics and aesthetic medicine.



With Our Society: Corporate Policy on Animal Testing and Alternative Methods

Shiseido's Policy towards Abolishing Animal Testing for Cosmetics

Shiseido does not test its cosmetic products on animals, under any circumstances. As for cosmetic ingredients, we do not conduct animal testing save for exceptional cases where it is required by law, or where there are absolutely no other alternative methods to animal testing, and therefore unavoidable to guarantee product safety [*1](#).

Shiseido's goal is to eliminate "animal testing" for cosmetics, rigorously working to ensure the safety of cosmetics, in order that our customers can feel safe to use them, while paying full respect to animal protection as well.

Shiseido shall proactively seek the abolition of animal testing in line with EU regulations (the EU's Cosmetics Directive) [*2](#), which envisions to eliminate animal testing by 2013.

Up until its abolition in 2013, we will, through collaboration with domestic and international industry groups and institutions working to verify alternative methods, such as the Japan Cosmetic Industry Association, the European Centre for the Validation of Alternative Methods and the U.S.'s Interagency Coordinating Committee on the Validation of Alternative Methods, continue to exert our utmost efforts on developing alternative methods [*3](#) that would enable us to eliminate animal testing at the earliest possible opportunity.

Year	SHISEIDO's Studies contributing to development of alternative methods and safety evaluation
2008	Study on a tier evaluation system for eye irritation test using monolayer culture of SIRC cells and a three-dimensional dermal model
2005	A Japanese ring study of human Cell Line Activation Test (h-CLAT) for predicting skin sensitizing potential of chemicals in vitro Studies on the effects of light sources used in alternative methods for phototoxicity testing
2003	Studies on the use of culture cell lines as alternative methods for acute toxicity testing
2002	Research on the development of a predictive algorithm for skin permeability and its use for predicting skin sensitizing potential of chemicals
2001	Studies on the use of CD86 and MHC class II expression in THP-1 human monocytes as an index of an alternative method for skin sensitization tests
2000	Studies on the induction of unscheduled DNA synthesis in epidermis by skin carcinogens
1999	Comparative study on the neutral red uptake phototoxicity methods in three different cell lines
1997	Studies on the use of cytotoxicity assays as an alternative method for skin irritation test for evaluating the irritant properties of water-insoluble chemicals
1996	Studies on the use of quantitative measurements of pro-inflammatory cytokine gene expression as an alternative method for skin irritation test
1994	Studies on the application of electrophysiological techniques on neuronal cells for use as an in vitro skin sensory irritation test

1992	Studies on the use of red blood cells photohemolysis and yeast growth inhibition assays as alternative methods for phototoxicity tests
1991	Study on the use of hemoglobin denaturation assay as an alternative method for eye irritation tests Study on the use of liposomes prepared from lipids extracts of bovine cornea, as an alternative method for eye irritation test

Above studies were awarded by various organizations such as the Japanese Society for Alternatives to Animal Experiments.

*1: Guarantee of Product Safety

If all alternative methods to animal testing were completed to confirm the safety of cosmetic ingredients, no animal testing would be required. However, at the current scientific level, not all alternative methods have been established or authorized, and in order to guarantee customer safety and security, there are now cases * in which safety tests involving animal testing are necessary according to either the law or product safety assurances.

In cases where we have no choice but to conduct animal testing, our testing plans are strictly examined by the "Animal Testing Council" that is set up in-house, to check whether they conform with the 3Rs principles (Reduction = reduction of the number of animals used; Refinement = alleviation or minimization of pain and discomfort; and Replacement = switching to non-animal testing) contained in the guidelines of the Science Council of Japan.

*. There may be cases where animal testing is required for confirming the safety of new ingredients compounded in quasi drugs, or ultraviolet absorbers, preservatives or tar dyes (positive list ingredients) dispensed in cosmetics in Japan.

Not only for new ingredients, but also ingredients that have already been used, when these are to be seen to be potentially harmful through future scientific knowledge, safety tests including animal testing may be required.

- With ingredients for which there is concern over their safety with regard to matters such as allergies (skin sensitization), besides the matters that are required by law, because no alternative methods have been established, we may be required to perform the minimum level of animal testing, with the aim of guaranteeing the safety of the products that we supply to customers, given our responsibilities as a cosmetics manufacturer.
- In China, in order to guarantee the safety of imported cosmetics, safety tests including animal testing are sometimes required. Also, in some countries such as Korea and Taiwan, there are ingredients for which animal testing is required by law.

Furthermore, we will abolish all in-house animal testing by March 2011. After March 2011, in cases where animal testing is deemed unavoidable for any reasons such as "obligations required by law", we will conduct animal testing under the strictest standards and supervision of external authoritative institutions, subsequent to ample deliberation at the in-house "Animal Testing Council".

In addition, we intend to exchange ideas with relevant experts, scientists and animal protection groups.

*2: EU regulations (the EU's Cosmetics Directive)

At present, because no alternative methods have been established to replace animal testing for "repeated-dose toxicity", "reproductive toxicity" and "toxicokinetics", bans on the sale of cosmetics for which these tests had been performed will be deferred until March 2013 according to the EU's Cosmetics Directive. Therefore, comprehensive studies are being carried out in the EU with the aim of establishing such alternative methods by 2013.

***3: Our Efforts on Developing Alternative Methods**

Shiseido makes every possible effort to minimize animal testing, through combined use of official safety information and literature information, accumulated safety databases, safety prediction systems based on chemical structures, and safety evaluation results from in vitro tests (tests carried out under artificially-constructed conditions, such as in test tubes) and tests on humans.

In Japan, we have set up a joint research of the Alternative Method Consortium with specialists outside the company, and have made public our successes at the symposium that we hold jointly with the Japanese Society for Alternative to Animal Experiments (JSAAE). Furthermore, we have actively participated in projects for validation and evaluation of alternative methods conducted by research groups supported by the Japanese Ministry of Health, Labor and Welfare, and by the JSAAE since the initial periods of these research projects, working to encourage the spread and expansion of alternative methods in place of animal testing.

As for our efforts abroad, we have cooperated in developing and evaluating alternative methods, as an expert panel for the U.S.'s Interagency Coordinating Committee on the Validation of Alternative Methods (ICCVAM), and as a member of an industry-government-academia project for the European Partnership for Alternative Approaches to Animal Testing (EPAA) and the European Cosmetics Association (COLIPA). For skin sensitization tests, which are vital for evaluating the safety of cosmetic ingredients, in partnership with Kao Corporation, we are currently developing the human Cell Line Activation Test (h-CLAT), and as a result of joint research both in Japan and abroad, verification research is now being commenced at the European Centre for the Validation of Alternative Methods (ECVAM).

We continue to work even more actively to develop non-animal alternative methods, in cooperation with the industries, government and academic bodies, both in Japan with the Japan Cosmetic Industry Association, JSAAE and the Japanese Center for the Validation of Alternative Methods (JaCVAM), and outside Japan with COLIPA, ECVAM, EPAA, the Personal Care Products Council (PCPC), and ICCVAM.

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With Our Society: Supporting Female Researchers

We are pursuing a program of social activities that takes advantage of our accumulated knowledge and technology in order to create a beautiful lifestyle, one of our corporate ideals.

Supporting Female Researchers

<http://www.shiseido.co.jp/doctor/grants/science.htm>(Japanese only)

Even as proponents praise the goal of making Japan a nation built on the platform of scientific and technological creativity, students are taking science courses in ever-decreasing numbers, so that securing talented students has become a pressing issue for the fields of science and technology. Yet despite social acceptance of women's participation in society, even today, the proportion of Japanese researchers who are female is extremely low compared with other countries. This disparity is likely due to a variety of factors, but one major reason is that women often feel that they must forego a life spent pursuing scientific research because they are more likely to be involved in the life stages of delivery, childcare, and nursing care than men.

Faced with this situation, Shiseido established the Shiseido Female Researcher Science Grant program in fiscal 2007 to help foster the development of a new generation of leading female researchers, by supporting the research activities of outstanding female researchers specializing in the natural sciences. In order to extend support to the largest possible pool of applicants, we do not set limits on age and have expanded research fields to encompass all natural science research. Whereas most research grants restrict the use of grant money to the purchase of reagents and equipment, we elected to allow these funds to be used to hire research assistants in support of female researchers' ability, to continue their research free of concerns about their particular life stage.

As the activities of female researchers become even more important in the fields of science and technology in the future, it is Shiseido's hope that outstanding female researchers will make use of this grant program to facilitate even greater accomplishments.

The 3rd Shiseido Female Researcher Science Grant Recipients

Name	Organization/Department	Title	Research Theme
Qiumei Akiyama	Division of Biological Science Graduate School of Science Kyoto University	Associate Professor	Biological Functions of Oxidation Stress Resistance 1(OXR1) Protein in the Protection from Oxidative Stress in Cells
Ikuko Kakizaki	Department of Glycotechnology Center for Advanced Medical Research Hirosaki University Graduate School of Medicine	Associate Professor	Glycotechnological approaches for future prevention of mother-to-child malarial transmission
Motoko Kawashima	Department of Ophthalmology Keio University School of Medicine	Assistant Professor	The effect of calorie restriction interventions on lacrimal gland function in aged mice
Kaori Koga	Department of Obstetrics and Gynecology School of Medicine The University of Tokyo	Assistant Professor	Novel therapeutic strategies for endometriosis - not compromise, but improve female fertility
Ai Kotani	Division of Molecular Therapy/Department of Hematology and Oncology Advanced Clinical Research Center The Institute of Medical Science The University of Tokyo	Assistant Professor	The study for drug resistance induced by AID in leukemia
Miki Shitashige	Chemotherapy Division National Cancer Center	Senior Scientist	Proteomic Approaches to Colorectal Carcinogenesis
Aya Nakae	Department of Anesthesiology and Intensive Care Department of Acute Critical Medicine Osaka University Graduate School of Medicine	Specially Appointed Associate Professor	Development of new drugs for chronic facial pain
Emiko Hiyama	Nishina Center for Accelerator-Based Science RIKEN(The Institute of Physical and Chemical Research)	Associate Chief Scientist	Theoretical study of muon catalyzed fusion
Etsuko Miyamoto-Sato	Advanced Research Centers Keio University	Associate Professor	A development of whole-cell proteome analysis tool using next generation sequencers
Yohko F. Yano	Research Organization of Science and Engineering Ritsumeikan University	Chair Professor	Synchrotron x-ray study of a protein at the air/water interface

[List of the 2st Shiseido Female Researcher Science Grant Recipients\(Japanese only\)](#)

[List of the 1st Shiseido Female Researcher Science Grant Recipients\(Japanese only\)](#)

voice

Comments on Receiving the Shiseido Female Researcher Science Grant

3rd grant recipient
Qiumei Akiyama, Kyoto University



I was extremely delighted to receive the Female Researcher Science Grant from Shiseido, which is a company that aspires to represent women's beauty and health. This grant at this time will greatly encourage future research activities.

Since this grant was established with the aim of developing female researchers who will be taking leading roles in science and technology fields, I recognize that this honor and responsibility are different from being selected for the Grant-in-Aid for Scientific

Research. Also, this grant is very meaningful in that it does not set limits on individuals according to childbirth, childcare and other conditions. In line with comments by previous grant recipients, I also value this opportunity to meet female researchers in various fields at the award presentation ceremony and make many connections through this grant.

3rd grant recipient
Emiko Hiyama, RIKEN (The Institute of Physical and Chemical Research)



Natural science is my research field. However, I was having difficulty finding a grant that would support basic studies such as in nuclear physics. So I was extremely happy when the decision was made to issue the grant. I hope that the current receipt of the award will encourage female researchers in many fields of natural science to apply for the grant.

At the same time, I hope to broaden the perspective of my research by meeting female researchers of various fields at the award presentation ceremony and exchanging opinions with them. I would like to dedicate my efforts to research and make this one-year grant period worthwhile.

voice

Comments in Receiving the Shiseido Female Researcher Science Grant

2nd grant recipient
Yuko Takeoka, Ph.D., Sophia University



I was encouraged by receiving this grant from Shiseido, which is a company recognized for being supported by many women, and I was deeply impressed in the difference from other research grants such as Grant-in-Aid for Science Research. Additionally, it was a valuable experience at the presentation ceremony, in which I was able to meet female researchers in a broad range of fields with whom I could talk about various aspects and was inspired by them. Once again, I was determined to undertake efforts to

achieve research results through utilizing this grant.

1st grant recipient
Katsuko Kajiya, Ph.D., Yamaguchi University



I was extremely delighted when I heard that I had received this grant award. One of the characteristics of this award is that the research grant can be used to cover the expense for employing assistant researchers. This system was extremely helpful in conducting research while being engaged in childcare.

Additionally, I feel that it was extremely meaningful for female researchers with few role models and colleagues alike to have an opportunity to meet external judges and to gather the 1st and

2nd Shiseido Female Researcher Science Grant recipients together at the award ceremony and debriefing session held on June 2, 2009. I hope this stance will be continuously supported in the future. Although the current research grant period has ended, I highly value the various ties gained through this experience.

TOPICS

Presentation Ceremony and Debriefing Session for the Shiseido Female Researcher Science Grant Held

Shiseido is implementing the Shiseido Female Researcher Science Grant with the aim of fostering development of female researchers who can take a leading role in science and technology by supporting activities of such women specializing in natural sciences. On June 9, a presentation ceremony was held for the 3rd Shiseido Female Researcher Science Grant recipients at the Shiseido Research Center (Shin-Yokohama). In the course of the same event, the 2nd Shiseido Female Researcher Science Grant recipients reported on their achievements during their one-year research periods.

Along with grant recipients, external judges including Professor Sanae Ariga of Hokkaido University, Professor Emeritus Masako Sakaki of Tokai University and Ms. Kimiko Nabe of the National Agriculture and Food Research Organization National Food Research Institute also attended the ceremony. Vice President and Representative Director Kimie Iwata of Shiseido Company, Limited presented a memorial plaque to the 10 grant recipients in a cordial atmosphere. Also, following their debriefing session recounting research achievements, the 2nd Shiseido Female Researcher Science Grant recipients held a lively Q&A session. Further, a meaningful roundtable discussion enabled participants to exchange views regarding balancing work and personal life, as well as discuss research.

This grant sets no limits with regard to age and other non-relevant factors in order to offer the grant to as many female researchers as possible. Research areas have been set in broad terms within the "natural sciences" field. Additionally, the use of this grant extends beyond research expenses and permits funds to be used for expenses such as employment fees of assistant researchers in order to support female researchers in continuing their research without being affected by life-stage responsibilities including childbirth and childcare.



The 3rd Shiseido Female
Researcher Science Grant recipients

The grant is gaining an excellent reputation. For this third edition of the event, the 10 grantees were selected from 168 proposal applicants.

[Click here](#) for other academic support.

Assistance for Projects to Support Female Junior High School and High School Students in Selecting Science-Related Courses

Shiseido is proud to work with the Super Science High School (SSH)* program, part of the "Love Science and Technology Plan" that the Ministry of Education, Culture, Sports, Science and Technology has pursued since 2002.

In fiscal 2009, 42 students from two schools designated as a Super Science High School (SSH) visited our Research Centers, where they enjoyed tours of our laboratories and learned about various aspects of cosmetic science, including dermatological research, development of cosmetic ingredients, skin characteristics measurement, and the effects of aromachology. Staff sought to inspire an interest in cosmetic science among the students, and included experiments in their lectures. Through the experience, the students seem to have gained an understanding of cosmetics as a field where state-of-the-art science from a broad range of fields comes together in the form of pure skin research, the search for attractive ingredients, safety assurance, and the psychological effects of products.

We have also been sending researchers to schools in response to requests to show students who want to be scientists what it's like to immerse oneself in research on a daily basis. Designed to give students a more familiar experience of science, lectures by researchers span content ranging from descriptions of their research to scientific hints gleaned from daily life.

Students who have participated in the program speak of it in glowing terms, describing how seeing real research is conducted helped them overcome their dislike of science to develop an interest in the subject, and how they are now considering pursuing a future in the sciences.

We plan to expand these efforts beyond exposing students to the depth and complexity of the research and cosmetic science pursued at Shiseido. In doing so, we hope to contribute to the training of new scientists and engineers by helping the children who will be responsible for the future of Japan gain familiarity with science.

* Super Science High School: A high school emphasizing technology, science, and mathematics as part of an initiative to enhance education in those areas. During fiscal 2009, a total of 125 schools throughout Japan have received the designation.

Career Seminar for Female University Students

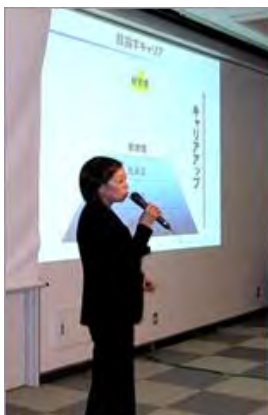
The Beauty Solution Development Center began seminars from November 2009 targeting male and female university students for the next generation, with the hope that these future leaders will help to overcome the current uncertain economic conditions.

In November 2009, Emiko Takasu, General Manager of the Beauty Solution Development Center, conducted an approximately two-hour seminar for 120 female Rikkyo University students at the Shiseido Gotanda Building, in which she spoke from experience regarding female career development, as well as about Shiseido's history and people and beauty science. The lecture was a success, as evidenced by the various questions and messages of appreciation received from many participating students. Subsequently, a lecture was conducted in January 2010 targeting third-year students of Aichi Toho University. This lecture, too, was extremely successful and enabled many students to gain a deeper understanding of work and about Shiseido as a company. A third lecture to which 80 Showa Women's University students were invited was held in February.

<Following messages received from instructors who participated in the lecture>

- The lecture left an impression on students and provided a good opportunity for them to learn.
- It was impressive to see the satisfied expressions of students as a result of being able to get some advice about living.
- I think that Shiseido's culture of valuing people and spirit of hospitality were conveyed to all of the students.

In the future, Shiseido plans to actively organize lectures in response to multiple requests.



Visiting lecture
by Emiko Takasu,
General Manager of Beauty
Solution Development Center



Participating students raise questions

Joint Activities with IV-JAPAN for Supporting the Independence of Women in Laos

Shiseido has been supporting International Cooperation NGO IV-JAPAN (Representative Sachiko Tominaga) since 2001 with the aim of supporting independence of women.

Activities of IV-JAPAN are based in Vientiane, the capital of Laos, regarding initiatives at the professional training school to support the independence of Laotian women and young people who are unemployed and have no educational opportunities. In this respect, Shiseido supports various initiatives including donating funds for inaugurating a Hairstyling and Cosmetics Course to learn haircut and massage skills (2002), as well as providing software for curriculum details, management, sales and services, and supporting plans for free dormitories for students from throughout the nation. Additionally, two former Shiseido employees visited Vientiane as instructors in order to conduct customer service and Japanese language lessons, thereby providing guidance on *omotenashi*, or the "spirit of hospitality" while accepting home stays for Laotian trainees. In such ways, the field of activities continues to expand.

Moreover, the Professional Business Operations Division provides expenses for sending Thai hairstylists, whose culture and customs are close to those of Laotian people, in cooperation with Shiseido's joint partner O.C.C. PUBLIC COMPANY LIMITED. Additionally, Shiseido employees and former female employees are voluntarily holding folk dance fashion shows in Japan to raise activity funds. Employees who volunteered have been taking part as models for folk dance fashion shows since 2003 and seven employees' children have also appeared onstage in 2008, to the excitement of audiences. This scope of activity is expanding, with more than 50 employees having participated in the event to date.

A positive report from local staff notes, "We are achieving results, including a 70% ratio of graduates who started their own businesses or found work by utilizing acquired skills, as well as an increase in cases of graduates handling household finances."



Hairstyling and Cosmetics Course at the professional training school



Applying newly acquired haircutting skills on volunteers at a village elementary school

Mamahatena?

Mamahatena? is a website in a weblog format for Shiseido employees who have experienced childbirth or childcare to share thoughts, both as employees and persons outside the Company. Volunteer employees who became core members update the blog twice a week, creating text based on exchange of information via internal lunch meetings and bulletin boards. The content deals with beauty care during childcare and simple hints to save time while raising children. Plans are currently underway to deepen ties on site, such as by inviting Shiseido customers for family factory tours.



<http://www.shiseido.co.jp/mamahatena/> (Japanese only)

Shiseido Running Club

See the following page for details on Shiseido Running Club.

Click here for Shiseido Running Club.
(Japanese Only)

TOP > [Initiatives with Stakeholders] With Our Society: Kangaroom Shiodome, a Nursery School Operated by Shiseido

With Our Society: Kangaroom Shiodome, a Nursery School Operated by Shiseido

Kangaroom Shiodome, a Nursery School Operated by Shiseido

Shiseido opened Kangaroom Shiodome in September 2003, as part of its initiatives to help employees raising children in the Tokyo metropolitan area balance the demands of work and childcare. The facility also accepts a certain number of children of employees of other companies, which are supporting the concept of "improving the child-rearing environment through cooperation with other companies."



Kangaroom Shiodome has made a significant contribution to transforming employees' awareness of how they work and realize a work-life balance. The facility has been well received by people utilizing its childcare services for reasons such as enabling women to return to work with complete peace of mind after the birth of a child and feel secure in the knowledge that their children are nearby, as well as allowing them to effectively make use of their time since they don't need to allot time to travel to a separate facility to pick up their children.

TOPICS

Empress Michiko Visits Kangaroom Shiodome

On May 15, 2009, Her Majesty Empress Michiko visited Kangaroom Shiodome. On the day of her visit, the Empress took time to interact with children and spoke in a friendly manner to 4-to-5-year-old children drawing pictures and 2-to-3-year-old children playing with clay while also joining 0-to-1-year old children playing house. The Empress also spoke cordially with eight parents using the facility and expressed a great interest in Shiseido's stance of providing support in balancing work and childcare.



TOP > [Initiatives with Stakeholders] With Our Society: Initiatives for Children

With Our Society: Initiatives for Children

Initiatives for Children

<http://www.shiseido.co.jp/kids/index.htm> (Japanese only)

Activities to Provide Beauty Information to the Next Generation

The number of children with various skin problems such as rough skin is increasing in line with the trend to begin using cosmetic products at a younger age. To address this issue, Shiseido is disseminating daily beauty information for children, including face washing and UV-protection methods in an easy-to-understand manner, thereby enabling children to become familiar with suitable ways to treat their skin and maintain beautiful skin for many years.

- Initiative to disseminate daily beauty information via ["Beauty Club for Kids" website \(Japanese only\)](#)
- Provision of visual educational materials (DVDs) for supporting healthcare lessons, wall newspapers posted on school billboards and leaflets for distribution to children at no cost.
- Face-to-face awareness-raising activity at a special lesson at school



Face-to-face awareness-raising activity during a special lesson at school

Activities to Promote the Development of the Next Generation Conducted in Cooperation With Governmental Institutions (Examples of activities held at Komatsu Elementary School and Fujinoki Junior High School in Japan)

■ Participation in Komatsu Waku Waku Lessons

The Osaka Factory participated in Komatsu Waku Waku Lessons held at the neighboring Komatsu Elementary School on January 30, 2010, which featured music lessons conducted by the light music society *Shisei-Kai* and a cosmetic production lessons by the Contents Technical Group, Technical Department. On this day, participating factory members were also able to interact with neighboring governmental institutions and companies as well as PTA and local community

members. The Osaka Factory plans to continuously participate in such activities for promoting children's education.



Music lesson and cosmetic production lesson

■ Career Education Sponsored by Nippon Keidanren (Japan Business Federation)

In support of the aim of collaborative promotion of education by schools and companies being pursued by Nippon Keidanren, a lesson related to career education was conducted by the Shiseido Head Office Corporate Social Responsibility Department (organizational changes) jointly with Canon, IBM Japan, Kiyoken and Fujitsu for first-year students at Fujinoki Junior High School in Yokohama city on February 10. Students gained a better understanding toward working professions, as reflected by a comment from a student who said, "I was able to realize that even an item that I see every day without paying much attention involves a lot of hard work in the production process."



During the lesson.

■ Activities to Support Learning through Workplace Experience

Shiseido continuously supports learning through workplace experience and holds classes at area schools as part of its local community activities. In December 2009, six students from sixth and seventh grades from Hino Gakuen, a public integrated elementary and middle school in Tokyo's Shinagawa Ward, visited the Company for workplace experience. Topics covered workplace etiquette, Shiseido's spirit of manufacturing and free discussions with employees.



The "Smile Class" consists of lessons based on Shiseido's research related to facial expression that has been organized for junior high school students to address the

increasing number of children who have trouble associating with others due to a lack of emotional communication] brought about by the widespread use of the Internet and cell phones. Specifically, in addition to learning about the importance of people's faces and their expressions, students consider their own smiles by checking the smile level and learn that a smile can make a different impression on others. At the end of the session, all members did "SHISEIDO Face Exercises" for wonderful smiles. Shiseido hopes to continuously promote the Smile Class as part of its unique efforts to support the next generation based on accumulated Company research on facial expressions and attractiveness.



The "Smile Class" at Hino Gakuen



"Smile Class" at Hino Gakuen in June 2009



Lesson conducted at the Arakawa-ku Fifth Junior High School in July 2009

voice

Through Workplace Experience

Eighth graders at Hino Gakuen, a public school (two-day program)

Students learned that work includes many fun experiences, as well as plenty that is difficult.

Through the Smile Class

Eight graders at Hino Gakuen, a public school

The class taught us about the importance of smiling. We were surprised to learn that people's first expression as an infant is one of anger. We also learned that smiling indicates a preference for peace and distaste for confrontation and argument. We gained a new understanding of the fact that smiling doesn't just feel good to the person doing it, but that it also gives a good impression to those around us.

Study Tour Support Activity

Since fiscal 2000, Shiseido has been participating in a study tour to deepen self-understanding of students to consider their career options for second-year students of Tottori Higashi High School in Japan. The program is conducted annually in October in the Kanto area, in which approximately 300 students visit an establishment that they have chosen from among approximately 30 establishments located mainly in Tokyo. During the ninth event in fiscal 2009, Shiseido welcomed 43 students and carried out various activities including introducing Shiseido's history, giving a presentation on UV rays and the skin, conducting a "Smile Class" and a hosting a discussion regarding career options with Shiseido employees.



Job introduction by Shiseido employee



"Smile Class" to support communication

TOPICS

Summer Holiday Project for Children at Shiseido Art House in Japan "Let's Make Traditional Japanese Painting on Paper Fans" Workshop

As part of its initiatives to contribute to art and culture, while cultivating the next generation in local communities, Shiseido Art House holds annual workshops for children in conjunction with exhibitions scheduled to coincide with the start of the summer holidays.

In 2009, in conjunction with the exhibition "Attractive Japanese-style Paintings Featuring Flower, Birds, Wind and the Moon" held from July 3 to September 27, a children's art workshop entitled "Let's Make Traditional Japanese Painting on Paper Fans" was organized on August 1 and 2. A traditional Japanese-style painting restoration specialist and a part-time lecturer at the Joshibi University of Art and Design, Ms. Ayako Koga, who is also directing the restoration of traditional Japanese-style paintings owned and stored by Shiseido Art House, was invited as a guest lecturer to enable elementary and middle school children to experience this unique style of art for the first time. A total of 10 children participated in the highly successful workshop on the first day and nine on the second day.

At first, the children were puzzled by the unfamiliar paints used for this style of painting, but soon began to create vivid images as they became accustomed to the medium. Participating staff was amazed at the splendid results produced by the children. Each brilliant work of art depicted a heightened sense of creative freedom and promising potential. After they finished painting, the children held up their fans and with big smiles made comments such as, "It was hard to paint, but I enjoyed it,"

"It was surprising because the powder turned into paints" and "Are there going to be more workshops like this one? I want to do it again!" Additionally, many comments were also received from the accompanying parents such as, "I want to try painting as well," "The children seemed to be really enjoying themselves. I was envious and wanted to join in," and "We are looking forward to participating in the event next year."

This traditional style of painting has been practiced in Japan for more than a 1,000 years over the course of Japanese history, taking form in the decoration of such items as folding screens, scrolls and panels of sliding doors. The paint used in traditional Japanese-style painting is made from glue and powdered colorants and is very fragile and difficult to handle. This delicate quality of the paint makes the medium ideal for expressing the Japanese spirit of appreciating a fleeting moment of beauty in nature. However, this style of art is rarely taught in Japanese art education today, except for specialized departments (including Arts and Sciences). In this respect, the workshop offered a valuable experience for all who participated.

Shiseido Art House will work to continuously convey the richness of art and culture to children through such workshops together with exhibition activities.



Children at the workshop



Children using Japanese painting tools for the first time

TOP > [Initiatives with Stakeholders] With Our Society: Initiatives at Domestic Business Locations

With Our Society: Initiatives at Domestic Business Locations

Initiatives at the Beauty Solution Development Center

Let's Go Out and See Local Communities!

Eight Beauty Artists Volunteer to Give Haircuts

The Beauty Solution Development Center is promoting "Let's Go Out and See Local Communities" all year round as a social contribution activity conducted with the aim of realizing and accepting different values by enabling respective employees to come to understand personally their relationship with society. On December 2, 2009, Shiseido employees visited an elderly care nursing facility in Shinagawa Ward as haircut volunteers. Eight beauty artists including Shiseido top beauty specialist Etsu Nishijima and Miyako Okamoto cut the hair of 20 residents who are unable to go out due to health conditions and 15 staff members to enable them to comfortably spend time and look nice for the year-end and new year holidays.



Beauty artists put a smile on faces using a single pair of scissors

Activities with Shanti Volunteer Association (SVA)

The Beauty Solution Development Center is holding the Developing Countries Education Support Bazaar, in which clothing and books collected from employees all year round are sold to support the education of children in refugee camps. Proceeds collected from the bazaar are donated to SVA for issuing folktale picture books. The second charity bazaar event was held in September 2009 and a folk tale picture book *The Two Princes* was issued in March 2010.

A total of 1,000 copies each of *Present from my Father* (2008) and *The Two Princes* (2009) folktale picture books were published in the Burmese and Karen languages. The books were then distributed in refugee camp facilities, including libraries, schools and hospitals to be read by over 140,000 refugees, many of them children. Native language picture books being made available at refugee camps, where books are overwhelmingly scarce, will help children by fostering literacy, inspiring dreams and hope and conveying ethnic culture. Shiseido will promote efforts to continue such initiatives.



Folktale picture book *Present from my Father*
issued in March 2009



Folktale picture book *The Two Princes*
issued in March 2010



A lecturer invited from SVA in
March 2010 deepened
the understanding of refugees.

Initiatives in Ginza and at the Shiodome Office

Social Studies Club Donates Wells in Cambodia

The Social Studies Club was inaugurated in July 2007 as a circle mainly comprised of Cosmetics Business Planning Department members to conduct volunteer activities based on the idea of "seeking ways to help society by considering and taking our own action outside of work." The circle actively promote activities for collecting used stamps, cards and postcards that are unusable due to writing errors and other items, with the aim of supporting school attendance of children in developing countries. Activities for donating wells are also carried out in view of water-related issues in those countries. In developing countries where clean water is not available, people are forced to drink water from muddy ponds or rivers, which infect children with various diseases, including contagious ones, and result in the loss of precious lives.

To this end, the Social Studies Club has collected funds through various events, such as sales of books or DVDs contributed by respective members. Charity bowling competitions serve as another means for members to deepen ties. In turn, the club has been donating wells in Cambodia through the Association of School Development by the Japan Team of Young Human Power (JHP). To date, a total of two wells have been donated, to Khpob Veng Secondary School in Kandal Province and Prey Veng Krong primary school in Prey Veng Province, Cambodia, in August 2008 and in January 2009, respectively. A third new well is currently under construction at the Ang Khna Primary School in Kandal Province. In addition to improving lives of schoolchildren,

these wells have also contributed to the daily living of neighboring residents. As a result, the Social Studies Club received a certificate of appreciation from the Cambodian government in August 2009.

In addition to the initial members of the Cosmetics Business Planning Department, the Club has expanded and currently has volunteers from eight departments in all, also including the Corporate Planning Department, Sales Administration Department, Distribution Strategy Department, Beauty Consultation Planning Department, Promotional Brand Marketing Unit, SBU Administration Department and Beauty Solution Development Center. Continuous efforts are being made to further improve such activities.



Completed construction of
Khpob Veng Secondary School and
well in Kandal Province



Certificate of appreciation
from the Cambodian government
(translation follows)

Kingdom of Cambodia
Certificate of Appreciation to Shiseido Company, Limited

The Ministry of Education, Youth and Sport of Kingdom of Cambodia wishes to express its profound gratitude for your generous support in providing one pumping well through JHP for Prey Veng Krong primary school in village No 2, Kampong Leav commune, Prey Veng town, Prey Veng province, Cambodia.

Phnom Penh August 12, 2009
H.E. Im Sethy, Minister of Education,
Youth and Sport of the Kingdom of Cambodia

Activities with TABLE FOR TWO Nonprofit Organization

Shiseido supports the TABLE FOR TWO (TFT) concept and has participated in TFT activities in the cafeteria at the Shiodome Office since July 1, 2009. TFT is a new social contribution program originating in Japan, which started with the aim of resolving "unbalanced diets" in "advanced nations where there is sufficient food" and "developing countries where there is a lack of food," thereby making people healthy in both advanced and developing countries.

Under this program, low-calorie and nutritiously balanced, healthy meals are offered and priced ¥20 higher than the regular menu at the cafeteria. The ¥20 from each meal will be donated to TFT to be used in school meals for local children in Africa.

At the Shiseido Shiodome Office cafeteria, a "TFT participation menu" is offered in line with the TFT concept, whereby donation activities are being carried out on a daily basis. We have regularly been selling about 100 of these healthy meals per day.

The Kakegawa Factory (Shizuoka Prefecture) and Kuki Factory (Saitama Prefecture) joined in this donation activity in March 2010, expanding its scope.

The program is steadily taking root, giving every person who participates in this activity a good opportunity to consider one's health as well as the issue of world hunger.



Properly balanced meals with less than 700 kilocalories, plus low salt and fat content are introduced to enhance employee health.



In the Shiodome Office cafeteria

Hanatsubaki Avenue Cleanup Activities

Ginza is a district that always sets trends ahead of the times while cherishing its history and traditions. Hanatsubaki Avenue defines the border of Ginza 7-chome and Ginza 8-chome. The Ginza 8-chome area, where the Tokyo Ginza Shiseido Building is located, was previously known as Izumochi since the area was developed by the Matsue Han (Matsue Clan) in the Edo era. Founded in Izumochi in 1872, Shiseido planted wild camellia trees along a nearby avenue, which became known as Hanatsubaki Avenue over time. In 1993, Shiseido planted eight camellia trees presented by Izumochi city along Hanatsubaki Avenue and is setting up flags created by Shiseido designers four times each year in the spring and summer and during the Christmas and New Year holidays, thereby brightening up the area.

Additionally, neighboring companies and individuals of local stores conduct cleanup activities on the fourth Tuesday morning of each month along Hanatsubaki Avenue. Shiseido employees from the Head Office as well as staff members of Shiseido Parlour and The Ginza also participate every month in cleanup activities such as sweeping and cleaning using brushes and hoses and displaying notices to remove illegally abandoned bicycles in an effort to keep Ginza clean. It has been 16 years since these activities were initiated. A total of 104 persons from Shiseido have participated as of the 170th event in October and approximately 20-30 Shiseido employees participate every month.

It has been said that in their later years, Shiseido's founder Arinobu Fukuhara and his wife Toku bowed and paid their respects to stores along the streets when they took a stroll every morning through Ginza, even when the shops were closed. A sense of gratitude for the support Shiseido has received from Ginza has remained unchanged from that time, as exemplified by the words of Toku Fukuhara, "Ginza exists because of everyone and Shiseido exists because of Ginza."



Hanatsubaki Avenue 2009 flag



Shiseido employees participating in Hanatsubaki Avenue cleanup activity

Activity to Support Underprivileged Children via Calendars and Notebooks

Shiseido is promoting an activity to effectively use calendars and notebooks received from our business partners at the end of the year by sharing them with employees in other departments. From December 17 to 25, the annual campaign based on the concepts of "mottainai" (not wasting anything) and "supporting underprivileged children via calendars and notebooks" was held in the cafeteria on the 12th floor of the Shiodome Office. Unused calendars and notebooks were collected by calling on the Head Office, research centers, factories and sales companies in the Kanto region, and were widely shared among employees.

Additionally, during the same period, donations starting from the amount of ¥1 were solicited from employees and respectively presented to Save the Children Japan and Shiseido Social Welfare Foundation, two organizations that are supporting children, via the Camellia Fund.

Furthermore, the remaining calendars were given to the Nagasaki International Association, which conducts charity sales of calendars collected from respective regions nationwide. The total proceeds from this charity drive were used for donations, including pencils and notebooks to children and food aid for persons affected by Cyclone Nargis that struck Myanmar in May 2008, and were provided through the student international non-governmental organization (NGO) BOAT run by Nagasaki University's International Student Center.

In fiscal 2009, 702 calendars and notebooks were collected and donated to the Nagasaki International Association, which truly appreciated Shiseido's cooperation during "a very challenging year for collecting calendars and notebooks."



Calendar and notebook collection site



Employees choosing
calendars and notebooks

Initiatives at the Tohoku Branch Office (Aomori Office, Sendai Office and Fukushima Office)

Activities with Nonprofit Organization International Volunteer Center of Yamagata (IVY)

A total of 108 spare Shiseido summer campaign T-shirts used by Beauty Consultants were donated to the nonprofit organization, IVY.

Up until now, all T-shirts used for campaigns and other events were supposed to be collected as part of risk management. However, the Shiseido Tohoku Branch Office (comprising the Aomori Office, Sendai Office and Fukushima Office) took the initiative to donate the T-shirts in consideration of contributing to society. Consequently, the T-shirts were delivered in March 2010 to villagers (Svay Rieng Province), school teachers and children in Cambodia.

IVY promotes efforts to support of children's education and mothers' economic independence in Cambodia. Shiseido's current initiatives were fully appreciated and the Company received photos of respective activities from IVY.



T-shirts donated to
schoolteachers (top left),
mothers (top right) and
children (bottom right)



In 2008, Shuto Ken Sales Division II of Shiseido Sales Co., Ltd. also provided donations to disadvantaged children in Indonesia through activities with Sengoku International Judo Hall, a non-profit organization. Shiseido hopes to continue meeting and interacting with many others in need.

With Our Society: Initiatives in Overseas Business Offices

Initiatives in Overseas Business Offices

Tree-Planting Program in China

Shiseido launched a 10-year tree planting program in the city of Lanzhou in China's Gansu Province in 2008.

During the program's third year in 2010, approximately 150 persons participated in the event including 65 members from the Shiseido Group in Japan and China, which was the largest number of participants since the launch, plus local participants in the city of Lanzhou. Corporate Officer and Chief Officer of the China Business Masaru Miyagawa, President Masashi Kamata of Shiseido China Co., Ltd., heads of large department stores in the city of Lanzhou, which are Shiseido's business partners, and editors of beauty magazines were among the various other participants involved at this time.

A total of 92% of approximately 30,000 trees planted during the first and second events have taken root, thereby making a major contribution to steady tree-planting activities in Gansu Province. Additionally, Shiseido planted 10 camellia trees to commemorate deep ties with Shiseido, leaving another trace of Shiseido's tree-planting activities. Amid the harsh environment, Shiseido hopes that these camellia trees will firmly take root, just as the trees planted earlier did.



Construction Support of Xiao Shi Gong Shiseido Group Hope School in Shanxi Province in China

Up until now, Shiseido has supported the construction of four Hua Zhi You Hope Schools by the local government of Beijing via the Kibou Kotei Kikin, China's national project fund, and donated school supplies together with its local subsidiary in Shanghai. In 2009, Shiseido supported the construction of an elementary school for Shanxi Province Baoji City Qishan Fengxiang District. This area is related to "Yi Jing" ("Book of Changes"), which is the origin of Shiseido's company name. The elementary school opened in September and a commemorative ceremony was held in December 2009. Qishan was also an area affected by the great Sichuan Earthquake and this location was selected as a means of supporting rehabilitation.

The Xiao Shi Gong Shiseido Group Hope School is the fifth school supported by the Shiseido Group, but is the first elementary school to bear "Shiseido Group" as part of its name. Representatives from the Shiseido Head Office and local subsidiaries attended the ceremony on December 7 and presented school supplies including stationery and dictionaries to the school and children.

Shiseido plans to continue providing assistance to children who will support China's future by donating supplies and various other items needed at schools.



At the ceremony

Shiseido España S.A Promotes the Development of Capable Personnel for the Next Generation

Shiseido considers it one of its major responsibilities to welcome students and provide them with opportunities to gain work experience and professional awareness. As part of its initiatives to support employment of enthusiastic students, on April 22, 2009 Shiseido España S.A participated in a job fair at Nebrija University in Madrid, Spain. A total of 32 companies participated in this event organized for students who will graduate from the university with the aim of gaining a better understanding of companies. Approximately 300 students visited the Shiseido booth. Events such as this are also becoming new venues for communicating with students who may be future Shiseido employees.

Inviting young students not only deepens their understanding of Shiseido and society, it also helps us bring vitality to our workplace and achieve other synergistic effects. Accordingly, since its establishment in 1998, Shiseido Espa? has been introducing an internship program, in which three students are accepted every year. Through this program, many students mainly experience marketing activities, including planning promotions of Shiseido España.

Each time, we received such comments as "this program has enabled me to discover the depth of the cosmetics business." The Shiseido Group will continuously promote such initiatives as part of its CSR activities and corporate responsibilities.



Shiseido booth at job fair

Shiseido Cosmetici (Italia) S.p.A. Continues to Promote *La Forza e il Sorriso* (Power and Smile) Program for Female Cancer Patients

Based on the idea of "contributing to the local community as a means of expressing our appreciation up to this day," and commemorating the 40th anniversary of its establishment, Shiseido Cosmetici (Italia) S.p.A. initiated the *La Forza e il Sorriso* (Power and Smile) program in April 2008, which offers free skincare and makeup services for cancer patients. For each event, six female cancer patients who are undergoing treatment with anticancer drugs are invited to the venues owned by the two associations of IEO (Istituto Europeo di Oncologia; established in 1994) and Attivecomeprima Onlus (established in 1973) with the aim of bringing back their smiling faces and mental vitality. This program is carried out in a warm, comfortable atmosphere in which local staff members carefully explain various aspects of makeup application, such as how to draw natural eyebrows (after previous ones were lost due to treatment side effects) and help patients to apply makeup on their own.

In addition to activities held in Milan, this program was held three times in fiscal 2008 with a total of 18 participants. Local staff could also reaffirm the "power of cosmetics" and sensed how meaningful this activity was by witnessing the delight of the patients. This program is being held approximately 1-2 times per month in 2009 (24 participants as of July 2009), and we will continuously and actively promote this program in the future. (Sponsoring body: Italian Association of Cosmetic Industries (UNIPRO))



Skincare consultation service



Shiseido Cosmetici (Italia)
S.p.A. employee (right)
offering makeup advice to participants

Social Contribution Activities at Shiseido Thailand Co., Ltd.

A social contribution group within Shiseido Thailand Co., Ltd was established to engage in various voluntary social contribution activities. As a follow-up to support facilities for women and AIDS treatment in fiscal 2008, Shiseido Thailand carried out activities in fiscal 2009 including beauty seminars at women's shelters and elderly care facilities. Additionally, activities such as fundraising are carried out every year, in which items including food, clothing and money collected from employees are donated to disaster victims or people enduring harsh economic circumstances through the Red Cross or elderly care facilities. Shiseido Thailand will continue its efforts to actively promote activities with the aim of developing compassion among individual employees into major social contribution activities.

CSR Day Held Under the Concept of "Fair, Share and Care"

On June 6, 2009, Shiseido (Thailand) Co., Ltd. (ST) held CSR Day under the co-sponsorship of the Corporate Social Responsibility Institute (CSRI) as part of its CSR activities, in which Dr. Pipat Yodprudtikan, Director of Thaipat Institute (Foundation for Thailand Rural Reconstruction Movement under Royal Patronage) was invited as a lecturer to improve ST employees' knowledge of CSR. ST is one of 50 selected companies in Thailand recognized for continuously making CSR activities important priorities.

Based on the concept of "Fair, Share and Care," all ST employees are undertaking CSR activities as part of their daily operations that can be carried out anytime, anywhere with the aim of providing superior services. At the same time, ST employees cooperate

with each other and responsibly take initiatives from carrying out activities to making donations after activities are completed.

ST Managing Director Tatsuo Sudo gave a speech to all employees, in which he communicated the company's direction on CSR and advised everyone to keep in mind the spirit of *omotenashi* (hospitality) in their operations.



CSR Day



P- ST Managing Director
Tatsuo Sudo (left)
received a commendation certificate
for completing CSR Day from
Dr. Pipat Yodprudtikan (right)

■ Shiseido (Thailand) Co., Ltd. Selected as a Member of Female Labor Protection Network Organized by the Labor Protection Ministry

In June 2008, Shiseido (Thailand) Co., Ltd. (ST) was selected as a member of the Female Labor Protection Network, which is managed by the Labor Department, Ministry of Labor and Social Welfare. Members of the Female Labor Protection Network are comprised of organizations, which have no previous record of violating employees labor issues and properly complying with labor laws.

ST assigned managers of the Human Resources Department to the network's meetings, which are held three times a year, in which they actively participated to exchange opinions regarding new labor laws and employee relations during the first meeting held in November 2008 and the second meeting held thereafter in September 2009.

One of the reasons ST was selected at this time was that the majority of its employees are females, and thus, ST is able to provide advice in a consulting role to the Labor Department as well as advice regarding the situation of other organizations in terms of women's work environment. In this respect, ST is promoting initiatives to offer advice for supporting various aspects including work or health conditions of workers, occupational safety and health, and quality of work and quality of life (QOL). In these meetings, members share good examples of respective organizations and propose ideas for revising laws in the future, thereby mutually supporting the balance of the three relevant parties of government, organizations and female employees. Additionally, the network members are also invited to be involved in various events on National Female Day held on March 8 each year.



Shiseido Thailand employees carrying out the seminar as a means of supporting women who have lost work opportunities as a result of household poverty

■ Contribution to Goodwill Group Foundation and Beauty Seminar Event

As a means of supporting women, who as a result of household poverty or domestic violence have missed educational opportunities to be an active member of society, the IPSA team of Shiseido Thailand Co., Ltd. held a workshop on March 28, 2008 to teach makeup application techniques and share the joy of becoming beautiful through cosmetics.



■ Beauty Seminar Event at Elderly Care Facility

On August 28, 2008, a beauty seminar was held at an elderly care facility where senior citizens who have no one to depend on are looked after. Additionally, contributions and daily goods were donated by employees.



■ Workshop Held at the Association for the Promotion of the Status of Women

On September 26, 2008, a visit was made to a facility where women and children who have suffered from domestic violence or abuse are protected, and a workshop was held to convey the enjoyment of wearing makeup. In addition to donations and daily goods from employees, a special lunch was offered to all members at the facility.



■ Tree-planting Program with Pittayakom Elementary School Students in Samuthprakarn

On December 9, 2008, local elementary students joined on activity for planting mangrove trees, the number of which has been significantly reduced due to environmental degradation, as part of a tree-planting activity.



Donation to UNICEF After Holding a Charity Sale in Hong Kong

As part of CSR activities, Shiseido Dah Chong Hong Cosmetics Ltd. (SDC) held a charity sale from November 9 to December 31, 2008, in which 15 Shiseido Group brands participated including SHISEIDO and Clé de Peau Beauté. Proceeds after deducting operating costs were donated to the education program of Chinese girls led by the United Nations Children's Fund (UNICEF).

UNICEF supports gender equality and equal opportunities in education. In particular, in addition to promoting initiatives to improve the income of women and enhance the living conditions of children and women, UNICEF is also providing educational opportunities for girls and women in China.

During the current charity sale, donations were solicited from customers at stores and sales counters, and in appreciation, were presented with various items including thank you gifts and cards and special products. Additionally, a charity sale was conducted for four bottles of Issey Miyake limited perfumes, the Shiro Kuramata edition. Only 2,500 bottles of this prestige limited edition have been produced to be sold worldwide and only 10 bottles for the Hong Kong market.

Shiseido Company, Limited President Shinzo Maeda gave remarks regarding Shiseido CSR activities at the kickoff event, which received wide coverage by the local press.



Speech by Shiseido President Shinzo Maeda



Donation presentation by SDC and Vivian Chow to UNICEF and Miriam Yeung



event venue

Chinese White Dolphin Conservation Project

Shiseido Chinese subsidiary Shiseido Liyuan Cosmetics Co., Ltd., (SLC) launched the Chinese White Dolphin Conservation Project in July 2008 in collaboration with the World Wildlife Fund (WWF) Hong Kong. In addition to tapping specialists in China and around the world to conduct research into the ecology and habitat of the Chinese white dolphin, a species about which many questions remain unanswered, the project is researching how to best pursue conservation efforts.

Chinese white dolphins, which primarily inhabit coastal waters from the Indian Ocean to the Western Pacific, are experiencing a drop in population caused by factors such as marine pollution and coastal land reclamation projects. The species has been red-listed

by the International Union for Conservation of Nature and Natural Resources (IUCN). Sometimes called the "panda of the sea" and a "marine national treasure" due to its rarity, the animal has also been designated as a Class I protected species in China, reflecting its status as an endangered species.

At SLC, Beauty Consultants manning sales counters for AUPRES, a brand sold exclusively at more than 700 department stores in China, call attention to the importance of environmental conservation by wearing badges portraying the Chinese white dolphin and handing out educational pamphlets to customers.



At the ceremony launching the project



CSR Activities in New Zealand

Shiseido NZ Ltd has chosen to support Look Good Feel Better over a number of years.

Look Good Feel Better, offered to women undergoing treatment for cancer, is a free service aimed at helping to restore and enhance the appearance of patients during and after cancer treatment.

Guidance, information and makeover expertise is offered at workshops held around New Zealand. A key contribution is made through annual donations of around 3,000 products used in the workshops and given to participants to take home for continued use. A group of employees from Shiseido NZ Ltd have recently attended Look Good Feel Better training sessions to enable them to volunteer at special workshops for cancer patients. The company is committed to supporting team members who would

like to be involved in the workshops by allocating time in their work schedules to enable them to participate.

Support has also been offered in fundraising activities such a table at the annual charity ball, purchase of auction items and assistance at the [Fine Homes Tour](#).



Volunteers on the Fine Homes Tour

***Fine Homes Tour**

A tour of beautifully designed private residences. The goal of the tour is for participants to put what they discover to use in the interior design of their own homes. Part of the participation fees is donated to the Look Good Feel Better program.

Beauty Seminars in China

Shiseido's AUPRES product line was selected as the sole sponsoring brand for the Chinese League of Women's "Feminine from the Heart: Educational Project to Cultivate an Ideal of Beauty for Chinese Women," a program conceived to improve the image of Chinese women. The project is being held in advance of the 2008 Beijing Olympics with the goal of cultivating the inner and outer beauty of Chinese women. Thus far, the Company has published an educational booklet about basic beauty knowledge (1.89 million copies) and held a series of Beauty Seminars in 20 cities including Beijing and Shanghai (more than 40,000 people have participated in a total of approximately 600 seminars).

From 2009 as well, Shiseido will continue proposing ways for Chinese women to cultivate a beautiful appearance through a variety of programs including Beauty

Enhancement Seminars at companies, universities, and groups such as the Association of Women Mayors, as we strive to contribute to the beauty of Chinese women.



Educational booklet about basic beauty knowledge for the "Feminine from the Heart" project



"Feminine from the Heart" Seminar in Changsha

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With Our Society: Employee-led Social Contribution Activities

Employee-led Social Contribution Activities

In order to heighten employee awareness toward social contribution with the aim of putting into practice "[With Our Employees.](#)" which is stated under the declaration of corporate conduct "THE SHISEIDO WAY," Shiseido is striving to create a corporate culture in which each and every employee has a perspective toward resolving social issues.

Camellia Fund

The Camellia Fund, an employee organization designed to encourage social contributions, was founded in 2005. Group employees who share its goals make monthly contributions from their salaries to groups selected from the three standpoints of improvement regarding social issues affecting women, improvement in quality of life through cosmetics and environmental conservation. Administered by employees who either volunteer or are recommended by their peers, the organization also helps to collect donations from employees in the event of natural disasters.

In addition to current employees, participation by employees who have reached Shiseido's mandatory retirement age is welcomed, as well as by shareholders who elect to enroll in the Social Support Group Contribution benefit program. Shiseido also donates money and other items to aid recipients in proportion to Camellia Fund contributions. In fiscal 2009, ¥3,925 thousand in shareholder contributions was donated to WWF Japan (World Wide Fund for Nature).

On May 22, 2009, a donation presentation ceremony of the Camellia Fund was held at Shiseido's Shiodome Office. Donations collected during the second half of fiscal 2008 were presented to the following eight organizations on the day of the ceremony. During the event, in addition to expressing their appreciation, representatives of respective recipient organizations also reported on the achievements of their activities in fiscal 2008 and future plans regarding the use of contributions.



Steering committee and recipient organization members listening to activity reports from representatives of respective recipient organizations.



Presentation ceremony of donations collected during the second half of fiscal 2008. Presented by steering committee member Ms. Nakajima (left) to Ms. Hasegawa (middle) and Ms. Shiozawa (right) of the Japanese National Network of Xeroderma Pigmentosum (XP).

Working with Organizations that Receive Support from the Camellia Fund

■ Holding the Refugee Film Festival, a special movie screening for employees

On July 29, 2010, 73 employees participated in the Refugee Film Festival, a special movie screening for employees held at the Shiodome Office in conjunction with the United Nations High Commissioner for Refugees (Japan for UNHCR), one of the organizations that receives support from the Camellia Fund. The event, which is the second of its kind in two years, was conceived to promote deeper knowledge of refugee issues, an area of global concern, and to create opportunities for employees to think about and pursue community service.

The screening of a documentary about refugees was preceded by a lecture by Yumiko Takashima, Executive Director of Japan for UNHCR. Ms. Takashima discussed how donations from the Camellia Fund are being put to use, as well as the environment in which refugees worldwide find themselves today, describing her experiences providing direct assistance to refugees in such locations as Sudan, East Timor, Myanmar, Afghanistan, and Kenya. Employees attending the event expressed gratitude for the opportunity to learn more about refugee issues. In the words of one participant, "I was shocked to discover the heroic efforts being made by some of these people, which I wouldn't even have imagined before seeing the film." Said another, "I gained a new understanding of the importance of knowledge and of acting on that knowledge. I'm looking forward to doing what I can in my own life, for example by communicating these issues to those around me."



Yumiko Takashima,
Executive Director of Japan for UNHCR,
giving her lecture



Displays outside the venue introducing
various support activities being
undertaken by the Camellia Fund

United Nations Development Fund for Women (Japan National Committee for UN Women)

UN Women (United Nations Entity for Gender Equality and the Empowerment of Women) is a United Nations fund promoting the independence of women in developing nations. The Japan National Committee for UN Women collects donations from the private sector and sends them to UN Women, thereby supporting various projects aimed at realizing the empowerment of women and gender equality.

Donations are used to fund micro-finance programs that enable Afghan women to obtain funds without a guarantee, so they can become economically independent by raising livestock, making and selling children's clothing by purchasing sewing machines or other means.



All Japan Women's Shelter Net

All Japan Women's Shelter Net is a network of 64 private support organizations nationwide that support women and children who are victims of domestic violence. Shelters are safe houses dedicated to helping women and children who have escaped domestic violence from husbands, boyfriends and fathers. The women are counseled to become independent and make a fresh start. Donations are used for the Purple Ribbon Project, which is an international activity supported by the Cabinet Office, Government of Japan and the Ministry of Health, Labour and Welfare with the aim of eradicating violence toward women, including domestic violence.



Shiseido Social Welfare Foundation

Established to commemorate Shiseido's centennial since its foundation, the Shiseido Social Welfare Foundation promotes various welfare projects for children and women who are raising children. For children who grew up in children's homes or foster homes as a result of difficult experiences such as child abuse, divorce or the death of one or both parents, the foundation provides scholarships for outstanding high school students who wish to attend university or other educational institutions and aim at being involved in the child welfare field. Also, childcare seminars are held in conjunction with child and family support centers nationwide for young parents who are raising children.



<http://www.zaidan.shiseido.co.jp/html/>

Japanese National Network of Xeroderma Pigmentosum (XP)

The Japanese National Network of Xeroderma Pigmentosum (XP) is a parent/patient association of XP. Patients with XP, an incurable disease, have a high probability of developing skin cancer when their skin is exposed to ultraviolet (UV) rays. Many patients also exhibit progressive neurological symptoms. The association enables information exchange to slow the progress of the disease by preventing exposure to UV rays through, for example, the use of sunscreen and protective clothing. Donations are used for UV protection items such as UV-blocking fabric/film for protective clothing, as well as study groups and enlightenment activities.



XP national meeting in November 2008

WWF Japan (World Wide Fund for Nature)

World Wide Fund for Nature (WWF) is a global environment conservation organization promoting activities in approximately 100 countries worldwide.

Tropical rainforests in Sumatra, Indonesia, are habitats for endangered wild species such as elephants, tigers and rhinoceros as well as a precious resource for the global planet.

However, these habitats are rapidly shrinking due to illegal logging and clearing of land for plantations for harvesting raw materials to develop paper pulp, palm oil and coffee.

Protected areas were partially expanded in certain cases as a result of activities. Donations are used to support the fund's conservation activities.



©WWF Japan

United Nations High Commissioner for Refugees (Japan for UNHCR)

Japan for UNHCR, the official Japanese support arm of the United Nations High Commissioner for Refugees (UNHCR), is responsible for offering assistance to refugees and conducting public relations and fundraising activities. In refugee camps in Nepal, where Bhutanese refugees are taking shelter, female refugees are earning cash income by making sanitary towels from cloth, as one of the ways in which UNHCR supports their acquisition of skills to become independent. Donations are used to support female Bhutanese refugees' businesses making sanitary products.



©UNHCR

Save the Children Japan

Save the Children is an international support organization offering assistance to children. Founded in 1919 in the United Kingdom, Save the Children currently promotes activities in more than 120 countries worldwide to protect children's lives and rights, including those regarding education, nutrition, health maintenance and protection from violence and abuse. Donations are used for improving the nutrition of mothers and children with an emphasis on breastfeeding without supplementing, aiming at improving the health of children five years old and under in Myanmar.



The Nature Conservation Society of Japan (NACS-J)

The Nature Conservation Society of Japan (NACS-J) is a non-governmental organization (NGO) committed to protecting nature and biodiversity in Japan, a country formerly abundant in nature. Seeking ways to ensure the sustainability of nature's blessings in the context of international society and the future of children is essential to the role of NACS-J.

The organization is supported by membership fees and donations and is committed to resolving real issues through policy recommendations and discussions based on scientific research. Donations are used for various activities such as nurturing nature society volunteers and conducting public surveys.



TOPICS

Shiseido Provides Assistance to Various Support Organizations via Camellia Fund Donations and Employee Volunteer Activities

On April 10, a general meeting of the XP Tsukushinbo Group, a parent/patient association of the Japanese National Network of Xeroderma Pigmentosum (XP), which is supported by the Camellia Fund, was held at Amity Maishima in Osaka. On this day, Shiseido employees participated as volunteers and a seminar was conducted for XP patients and their families regarding "how to use suncare cosmetics" by members in charge of the seminar from the Kinki Branch Office of Shiseido Sales Co., Ltd. and Area Sales Department of Shiseido Company, Limited.

XP is a progressive disease that causes severe disorders to the skin and cranial nerves. Since individuals suffering from this disease have an extremely high probability of developing skin cancer when exposed to sunlight (ultraviolet rays), patients are forced to strictly avoid UV rays on a daily basis. Additionally, severe overlapping physical and mental disorders are likely to occur as patients grow. XP is designated as an incurable disease.

The Japanese National Network of Xeroderma Pigmentosum (XP) promotes various activities with the aim of improving the quality of life (QOL) of children suffering from this devastating disease.

Shiseido initially held a seminar for XP patients and their families, for whom sun cream is an essential product, in 2007. For the fourth such event, the seminar was held in Osaka for 13 XP patients and their families. Participants were able to actually experience correct ways to apply and remove suncare cosmetics by using sunscreen and cleansing products, address various daily concerns and receive advice.

Shiseido employees who participated in the volunteer activity played with and took care of children afflicted with XP while their guardians attended the general meeting.

[Comments from participating families]

Various favorable comments from participants included: "It made a big difference that the seminar enabled us to actually take cosmetic items in our hands and try them rather than just listening. I was able to learn many things." "Since the staff slowly and carefully explained, I was able to thoroughly check the ways that I had previously applied cream on my own." "Although I apply sunscreen every day, I was applying it roughly because I'm so busy. I hope to carefully apply sunscreen from now on."

[Comments from employees who participated as volunteers]

I was extremely nervous and worried on the day of the seminar; but seeing families' cheerful attitudes and children's smiling faces gave me energy, so I was able to put forth my best efforts and play with the children. I applied for this activity by thinking "perhaps even someone like me can help people" and now I am glad that I had the courage to participate. I would like to express my appreciation for such a valuable experience.

In addition to supporting XP patients through monetary donations and suncare cosmetics such as Anessa since fiscal 2000, Shiseido also began soliciting employee donations from fiscal 2005 as one of the organizations supported by the Camellia Fund, as well as carrying out other initiatives to assist all XP patients by organizing volunteer activities and seminars.



How to use sunscreen" seminar
Conducted by Ms. Teruko Haraguchi,
Kinki Branch Office,
Shiseido Sales Co., Ltd. (center)



Introducing sunscreen cream application
and removal by separating
into small groups

Programs that Support Employees' Social Activities

Shiseido's support of employees' social activities derives from the belief that improving oneself through involvement with society leads to growth of not only the employee but also the company.

■ Social Studies Days

Since 1993, Shiseido's Social Studies Days Program has allowed employees to participate in social contribution activities instead of coming to work for up to three days each year. A total of 90 days were utilized under this system in fiscal 2009, in which participants took this time to hone their skills to be used for volunteer and social contribution activities, and to register as volunteers.

■ Product Matching Gifts

Under a program introduced in 1998, Shiseido matches participation in volunteer activities by employees and their families as well as retired employees by supplying products such as shampoo and soap to welfare facilities. In the fiscal year ended March 2010, 29 activities occurred through this program.

With Our Society: Disaster Relief

Disaster Relief

Qinghai Earthquake

A 7.1-magnitude earthquake struck Qinghai Province in China on April 14 at 8:49 a.m., Japan time. It has been reported that the death toll has reached 2,183, with 84 persons missing and 12,135 injured as of April 22.

On April 15 the day after the earthquake occurred, Shiseido Company, Limited donated ¥5 million to the Chinese Embassy in Japan to be used for relief activities in aiding disaster victims. Additionally, a total of ¥3.92 million was donated from respective local subsidiaries in China, including ¥1.96 million from Shiseido China Co., Ltd. (Shanghai), ¥1.76 million from Shiseido Liyuan Cosmetics Co., Ltd. (Beijing), ¥130,000 from Shanghai Zotos Citic Cosmetics Co., Ltd. (Shanghai) and ¥70,000 from Shiseido China Research Center Co., Ltd.

Donations also are being solicited from employees via [the Camellia Fund](#) and respective local subsidiaries in China.

Shiseido Company, Limited has previously contributed to disaster support for Hurricane Katrina in the United States in September 2005 (¥11 million), the Kashmir Earthquake in Pakistan earthquake in October 2005 (¥2 million), the Central Java Earthquake in Indonesia in May 2006 (¥1 million) and the Great Sichuan Earthquake in China in May 2008 (¥10 million).

Shiseido would like to extend our deepest condolences to people who lost family and friends as well as convey our deepest sympathy to disaster victims and hopes for a swift recovery.

Chile Earthquake

A monetary donation was collected from Shiseido Group employees to support relief efforts for the Chile Earthquake that occurred on February 27, 2010, whereby a total of ¥2,357,000 donated by 4,714 persons was presented to the non-profit organization (NPO) Japan Platform (JPF)*. Donations are used for distribution of daily necessities to disaster victims and rehabilitation of facilities for the elderly and persons with disabilities.



* JPF is an international humanitarian aid organization providing emergency assistance by cooperating with non-governmental organizations, economic groups and governments when natural disasters occur or people become refugees.

Haiti Earthquake

Shiseido Group employees have undertaken volunteer activities for collecting donations to support relief efforts for disaster victims of a magnitude 7.0 earthquake that struck the Republic of Haiti on January 13, 2010. A total of ¥2,833,500 (donated by 5,667 persons) was collected, and the entire amount was donated to Japan Platform (JPF). Donations are used as part of rehabilitation expenses including those for distribution of food, daily necessities and shelter (tents).



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With Our Society: Shiseido Social Welfare Foundation

Shiseido Social Welfare Foundation

<http://www.zaidan.shiseido.co.jp/html/>

In every era, children are the treasure of humankind. As a member of society, Shiseido believes that supporting the healthy development of children who will be leaders of the next generation and the improvement of women's welfare are among the Company's inherent obligations. Founded in 1972, the foundation works to improve the environment in which children live and grow and assist women through aid activities such as human resources development programs for workers at child welfare facilities. Also, with the aim of strengthening future activities, an application was submitted to the Public Interest Corporation Commission established within the Cabinet Office to change the foundation into a new public benefit corporation. This request was officially approved in April 2010.

Overview of Activities

1. Global training programs

- (1) Overseas Training Program, which seeks to increase the skills of key employees at child welfare facilities



34th Overseas Training Program in Wellington (New Zealand)

- (2) Japan-based Invitational Asian Training Program, which seeks to help workers at child welfare facilities in Asian nations master welfare skills



Participants in the Japan-based Invitational Asian Training Program visit a children's home (in Osaka)

- (3) High School Student Asia Volunteer Support Program, conceived to foster sociability and independence



Participants in the High School Student Asia Volunteer Support Program visit a facility for disabled children (run by the Salvation Army in Singapore)

2. Domestic Training Programs

Domestic Training Support Program, which works to improve the specialization of workers at child welfare facilities



Family Counselor Central Training
(at Shiseido's Shonan Training Institute)



Childcare Workshop Supporting the Education
Function of the Family (at Shiseido's Shonan
Training Institute)

3. Regional Activities

- (1) Childcare Seminars provide useful information to mothers and fathers concerned about how to raise their children.



Family Support Center ASUNARO Child
Development Square (Ishikawa Prefecture)

- (2) The Worker Training Program seeks to improve support skills of workers at community-based counseling centers handling consultation related to childcare.



Worker Training Program
(at Shiseido's Shonan Training Institute)

<http://www.zaidan.shiseido.co.jp/html/seminar200815.htm>

4. Publishing Program



Children and Motherhood Worldwide (Japanese edition), a publication dedicated to improving child welfare in Japan by collecting and disseminating a broad range of information related to child welfare from a global perspective

Children and Motherhood Worldwide information magazine
(published April and October)

5. Activities for Supporting Independence

(1) Initiatives by Shiseido Social Welfare Foundation and Shiseido Sales Co., Ltd. to Protect and Nurture Children

Shiseido Social Welfare Foundation held a celebration for supporting children in institutions and foster children who have turned 18.

This year as well, the foundation held a gathering in March 2010 in the cafeteria of the Shiseido Shiodome Office "Celebrating the Start of Adulthood" for children living in institutions and foster children in Tokyo and Yokohama and their surrounding areas. The foundation invited a total of 34 high school seniors (14 girls and 20 boys) scheduled to graduate in spring.

The event opened with welcoming remarks and encouragement by Takafumi Uchida, Shiseido Corporate Officer and Standing Director of the Shiseido Social Welfare Foundation.

The Katariba workshop was held thereafter, featuring previous participants in the program and young persons of the same generation as the students. The event instilled hope and courage in the soon-to-graduate students through easy-to-understand stories about the participants' own experiences and about how they faced and overcame their personal concerns and anxieties.

The workshop was followed by a seminar on business manners and etiquette presented by Shiseido employee volunteers. This session introduced a number of specific best practices, including proper ways for adults to bow and how to exchange business cards. Everyone listened intently.

For the next seminar on proper attire and appearance, the participants were separated by gender. For female students, Shiseido volunteer staff presented lessons on skin care and proper makeup as adult members of society. For male students, the lessons featured practical training on hair styling best suited to each individual. This was the first such experience for all of the students and their eyes lit up as they saw themselves being transformed.

At the conclusion of the second seminar, commemorative photographs were taken by a professional photographer from Shiseido. A group commemorative photograph capturing the smiling faces of the soon-to-be graduates, foster parents and institutional staff was also taken. (The photographs were arranged into albums and presented to participants at a later date.)

Following the commemorative photograph session, a cordial gathering was held with institution staff, foster parents and support organizations that helped care for the children. Participants later conveyed their impressions about the event, stating such opinions as, "The event was a lot of fun. I was able to experience many things and I really learned a lot" and "I was fortunate to meet many people. I will deeply cherish today's event."



Welcome remarks and encouragement by Takafumi Uchida, Shiseido Corporate Officer and Standing Director of Shiseido Social Welfare Foundation



Seminar on proper attire and appearance for females



Seminar on proper attire and appearance for males

- (2) Supporting high school students entering universities, junior colleges and vocational schools via the Shiseido Child Welfare Scholarship Program directed toward expanding future initiatives in the area of child welfare

Target

18-year-old young adults living in institutions and foster children who are planning to enter universities, junior colleges and vocational schools in April 2010.

Financial support

An annual stipend of ¥500,000 is provided to partially cover course fees.

Period

4 years or 2 years

Number of recipients

Approximately 5 persons



TOPICS

Initiatives of Shiseido Social Welfare Foundation and Shiseido Sales Co., Ltd. to Protect and Nurture Children

The Shiseido Social Welfare Foundation established in commemoration of the centennial anniversary of Shiseido's establishment is conducting social contribution activities with a particular focus on promoting the welfare of children and women. Additionally, since Shiseido Sales Co., Ltd. was established in 1927 it has been conducting locally based sales activities in respective areas in Japan while broadly developing local social activities and promoting activities in cooperation with the Shiseido Social Welfare Foundation in recent years. At this time, we will introduce more initiatives for protecting and nurturing children.

Gifu Branch and Chubu Branch Offices of Shiseido Sales Co., Ltd. Participate in Gifu Orange Ribbon Relay

In Japan, the month of November is designated as Child Abuse Prevention Month. The Gifu Orange Ribbon Relay was held on November 14 as part of the nationwide Child Abuse Prevention Orange Ribbon Campaign. Under the slogan "Protect small innocent eyes looking to the future," a total of 328 runners participated in the event and ran along three courses wearing orange sashes to raise citizens' awareness to prevent child abuse, which is increasing every year in Gifu Prefecture.

Gifu Branch Manager Seiichi Orito volunteered to take part as a runner, and he completed the run as an anchor while more than 500 spectators at the goal line applauded and cheered. A number of branch employees also were there to cheer him on, coming together in full support of the event and serving as members of the local community.



Gifu Branch Manager
Seichi Orito running in the relay

TOPICS

Many Smiling Faces of Mothers at Single Mother Facility at Christmas

Currently, there are approximately 750,000 single-mother households in Japan (as of 2005), an increase of 20% over a five-year period. Among these households, approximately 4,500 households are living in mother-child living support facilities at 272 locations nationwide. These facilities are established with the aim of protecting single mothers with children and supporting the independence of mothers. Many of those living in these facilities have experienced domestic violence from family members including their husband. Those who have managed to get to these facilities after leaving their homes without any belongings become independent after few years by acquiring jobs but they have little money and cannot afford to buy cosmetics.

As a means of supporting mothers living at these facilities to become "bright and happy mothers& again by getting a job as early as possible, the Shiseido Social Welfare Foundation has donated product sets of Shiseido's mainstay *Aqua Label* skincare line (products before renewal). Products were wrapped and delivered for Christmas events in December via an organization of ZENBOKYU for supporting single mothers with children along with messages from the foundation to mothers.

The donation of cosmetics has enabled mothers to look back on themselves and has helped to give mothers, who had no choice but to enter the facility due to various circumstances and raising children under difficult situations, hope for the future.

The following letter was received from one mother.

I would like to express my appreciation for sending wonderful gifts at this time. I have lived the past 10 years in a single-mother household, in which I have struggled to work to raise a child without wearing makeup or going to a hair salon or applying sun protection cream. I was devastated to see myself in a mirror after a long time when my child grew up and I had reached my 40s and realized my skin was aging.

I am beginning to think about my life since my child will soon become independent. I became extremely sensitive toward products written with the words "spots" and "lift up." I think everyone else is the same. I hope to make efforts to recapture my "beauty" as much as possible in the future. I will soon no longer be a single-mother household and hope to purchase Shiseido products with the money I earned; however, I ask Shiseido to continue to contribute to mothers of single-mother households.

In addition to the conventional means of support related to the welfare of children and women, the Shiseido Social Welfare Foundation also promotes activities toward realizing "This moment. This Life. Beautifully" for mothers who are living in single mother facilities

and trying hard together with their children.



The SHISEIDO LIFE QUALITY BEAUTY SEMINAR at a single mother facility



Aqua Label gift set

TOPICS

Shiseido Amenity Goods Co., Ltd. Donated Shampoo and Other Products to the Japan National Council of Children's Homes via the Shiseido Social Welfare Foundation

Shiseido Amenity Goods Co., Ltd. handles sales of professional products based on its mission to create Shiseido fans by meeting many customers and enhancing Shiseido Group brand value through a 100% customer-oriented approach. On March 15, 2010 the Company donated products including professional-use, rinse-in-shampoo and body shampoo via the Shiseido Social Welfare Foundation to orphanages nationwide, where children who are unable to live with their families for various reasons are living.

Prior to the donation on February 10, a meeting took place among executives of the Japan National Council of Children's Homes and the members of Toyo Logistics Co., Ltd. and TAISEI-warehouse Co., Ltd., who offered to cooperate in product setting and shipping operations free of charge, the Shiseido Social Welfare Foundation and Shiseido Amenity Goods Co., Ltd.

The meeting proceeded in an amiable atmosphere. President Miura of Shiseido Amenity Goods Co., Ltd. explained the reason for making the donation, stating, "We would like to assist the lives of children who will support the future." Also, Chairman Nakata of the Japan National Council of Children's Homes spoke of the current status of orphanages and activities for preventing child abuse as well as his appreciation for the donation.

Comments praising the products received included "elementary school children are especially enjoying themselves making soap suds to wash their bodies." Many thank you letters were also received including comments such as "We hope to spend comfortable days thoroughly washing using body soap and shampoo during the sweaty season."



Donated products (refill containers)



Meeting for product donation

TOP > [Initiatives with Stakeholders] With Our Society: Corporate Cultural Activities and Support of Artistic and Cultural Activities (Philanthropy)

With Our Society: Corporate Cultural Activities and Support of Artistic and Cultural Activities (Philanthropy)

We are pursuing a program of social activities that takes advantage of our accumulated knowledge and technology in order to create a beautiful lifestyle, which is one of our corporate ideals.

Philanthropic Activities Supporting the Creation of New Beauty

The Shiseido Gallery

<http://www.shiseido.co.jp/e/gallery/html/>

■ Holding of "shiseido art egg"

Shiseido Gallery is Japan's oldest existing gallery established in 1919. Since its opening, the gallery has continuously provided opportunities for modern artists to introduce their works for presentation based on the philosophy of creating and cultivating new art. From 2006, the gallery has been hosting "shiseido art egg" to throw open its doors ever wider to the public by providing various support for holding exhibitions. Accordingly, Shiseido Gallery space is made available as a solo exhibition venue for three weeks free of charge to up-and-coming artists seeking a place to present their work.

Sponsorship Activities

<http://www.shiseido.co.jp/mecenat/> (Japanese only)

Since its founding, the Shiseido Gallery has pursued a consistent program of philanthropic activities under the philosophy of creating and cultivating new art. The institution continues to sponsor a variety of contemporary artistic activities, particularly modern art, but also drama, dance and other forms. Throughout all these initiatives, the gallery values bonds with individual artists and is proud to foster long-term relationships that stretch from support for their initial debut to follow-up assistance later on.

In the fiscal year ended March 2009, we actively supported leading roles of the 6th generation of members of the *Tsubaki-kai*, a series of exhibitions organized by the Shiseido Gallery since 1947.

HOUSE OF SHISEIDO

<http://www.shiseido.co.jp/e/house-of-shiseido/>

The HOUSE OF SHISEIDO, a facility devoted to communicating Shiseido's corporate culture and sense of beauty, opened in 2004. It features an Archive Table with pull-out drawers featuring the Company's essence, a library where visitors can learn about the history of Ginza and women's history, and exhibits of past commercials and artistic works collected as part of the Company's philanthropic activities.



Shiseido Corporate Museum

<http://www.shiseido.co.jp/e/corporate-museum/>

Located next door to the Art House is the Shiseido Corporate Museum, which was established in 1992 on the occasion of the 120th anniversary of the Company's founding to preserve the Company's cultural assets in one location. These include product packaging, posters, and commercials, as well as documentary materials related to the Company's birthplace of Ginza that have been collected from the time of its founding in 1872 through to the present day. Part of the collection is on permanent display. The Museum also publishes a regular research bulletin entitled to publicize its research findings.

Shiseido Art House

<http://www.shiseido.co.jp/e/art-house/>

Founded in 1978 in Kakegawa City in Shizuoka Prefecture, Japan, the Shiseido Art House is home to a collection of about 1,600 paintings, sculptures, and crafts, many of which have been previously displayed at exhibitions such as the Camellia Club Exhibition and Exhibition of Modern Industrial Art at the Shiseido Gallery. In addition to holding a variety of themed exhibitions throughout the year, the facility loans works to museums throughout Japan. It also holds Children's Workshops to provide an opportunity for local elementary and middle school students to experience genuine art during their spring and summer vacations.

Hanatsubaki (Camellia) Magazine

<http://www.shiseido.co.jp/hanatsubaki/> (Japanese only)

Shiseido's cultural magazine *Hanatsubaki (Camellia)* was founded in 1937. The magazine introduced a new format starting with the July 2007 issue and is now published alternately as *Hanatsubaki: Look* (odd months), consisting primarily of visual content related to beauty and fashion, and *Hanatsubaki: Read* (even months), featuring written content beginning with special features by a different writer for each issue. A limited number of copies of an annual summary entitled *Hanatsubaki Comprehensive* are also published.

TOPICS

Shiseido's Corporate Materials Released Through MIT's Online OpenCourseWare

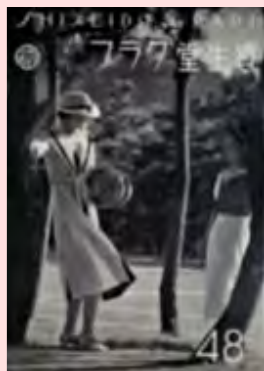
<http://ocw.mit.edu/shiseido>

Shiseido's cosmetics marketing materials are currently used as educational material for modern Japanese history and culture courses offered at the Massachusetts Institute of Technology (MIT) in the United States. Relevant materials including advertising, sales counter tools and in-house magazines developed during the Taisho Era through to the prewar period are offered to the public free of charge from May 26, 2009 via OpenCourseWare (OCW), an open site containing lecture information operated by MIT and that offers free course materials officially used in MIT courses on the Internet. This is the first time MIT will launch a website to introduce the in-depth marketing history of a Japanese company as educational material for the study of Japanese history and culture, in which Shiseido's materials are posted as the 7th theme in the educational materials along with "Black Ships & Samurai" in web-based Visualizing Cultures, which conveys the modern history and culture of Japan.



This educational material, entitled "Selling Shiseido: Cosmetics Advertising & Design in Early 20th-Century Japan," will be used in lectures including "Introduction to Japanese Culture," which will be presented by Professor Shigeru Miyagawa (Foreign Languages and Literatures, MIT) commencing in spring 2010. Materials are comprised of items such as a general statement advised by Professor John W. Dower (Japanese history, MIT); an essay by Associate Professor Gennifer Weisenfeld (Art, Art History & Visual Studies, Duke University Graduate School) and an image gallery for

reference, in which approximately 300 images provided by Shiseido are posted. Shiseido believes that the selection of Shiseido's corporate materials by MIT as their educational material in verifying Japanese history or culture suggests that Shiseido's accumulated corporate activities and research have been recognized. Shiseido hopes that the information will prove beneficial, and in turn, contribute to enhance the understanding of Japanese culture by many people through this site.



Covers of in-house magazines Shiseido Graph (predecessor of current *Hanatsubaki magazine*), Vol. 48 and 50, used in educational material (1937)

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TOP > [For our precious environment]Initiatives for a Healthy Environment

Initiatives for a Healthy Environment

Meanings of environmental activities

Ethos of Shiseido derived from its name

至哉坤元 万物資生

Our corporate name is derived from one passage in "I Ching," a Chinese classic literature.

This means "How wonderful the virtue of the earth is. Everything is born from it."

Shiseido has proposed new beauty,utilizing various blessings of the Earth. In order to keep proposing beauty to consumers, we need to coexist with the Earth while returning the favor to it.

In order to respond to customers' desire to "live beautifully"

This moment. This life. Beautifully.

This corporate message also serves as our commitment to the Earth.

We cannot sincerely respond to the desire of each and every customer to "live beautifully" without contributing to a beautiful global environment.

As we live in harmony with the Earth, we will dedicate our utmost efforts to promote environmental activities to care for our planet and realize a balanced, beautiful global environment, in the same manner as we care for our skin.

Management Policy Related to the Environment

Since 1992, when the Company adopted the Shiseido Eco Policy, a set of guidelines detailing how environmental considerations should weigh on management decisions, environmental protection has been a key effort in all of Shiseido's business activities.

Shiseido Eco Policy

1. Consider the environment and use natural resources and energy with great care
2. Promote the development and application of new technologies that do not place a burden on the environment

3. Aim to raise the level of employee awareness toward environmental protection
4. Endeavor to work closely with local communities and society

Shiseido's Core Approach to Environmental Activities

As suggested by the origin of its name, Shiseido has consistently strived to be a good steward of the bounty of the Earth since its founding. Today, this bounty is being lost at a rapid pace, casting into doubt our ability to pass them down to future generations. Shiseido has returned to its roots and reaffirmed the importance of conducting its business while acting as good stewards of the Earth's bounty. We have embraced a "new Policy on Biodiversity" that places "the preservation the bounty of the Earth" at the core of our environmental activities. This policy complements the first principle of the Shiseido Eco Policy ("Consider the environment and use natural resources and energy with great care"). Shiseido is working to realize a sustainable society through a program of environmental activities founded on the three principles of "conserving biodiversity (i.e., preserving the bounty of the Earth)", "reducing CO₂ emissions", and "reducing use of resources".

Biodiversity at Shiseido

Shiseido is grateful for the benefits of the Earth, the source of new values. Recognizing that the resources of the Earth are limited, we will use them wisely and fairly for the sake of future generations. Working proactively for their conservation, we will strive to realize a sustainable society.

Commitment to Society

In November 2008, Shiseido announced its participation in Caring for Climate, a climate change initiative also being spearheaded by the Global Compact, and declared to the world its commitment to pursuing environmental activities in business activities while also supporting and actively taking part in global initiatives related to climate change.

In Japan, Shiseido became the first company in the cosmetics industry to be certified as an "Eco-First Company" in March 2009 and made a declaration of its activities to be carried out in accordance with the Eco-First Commitment.

Shiseido Earth Care Project

Shiseido Earth Care Project is an "environmental project" promoted by all Shiseido Group employees worldwide in every aspect of its business activities.

Mission of Shiseido Earth Care Project

In order to continuously promote new beauty while receiving the benefits of the various bounties of the Earth, it is necessary to coexist with and show gratitude to the Earth. As we live in harmony with the Earth, our mission is to care for our planet and realize a balanced, beautiful global environment, in the same manner as we care for our skin. The mission of the Shiseido Earth Care Project is to create "a society in which people and the Earth coexist beautifully" based on its Eco Policy, which is designated as Shiseido's Corporate Mission and management policy on the environment.

Aim of Shiseido Earth Care Project

In addition to basic environmental activities that should be carried out as a social responsibility as a matter of course, including CO₂ reductions and resource conservation, the aim of this project is to realize "a new lifestyle that connects 'beauty' and 'eco-friendliness'" by strongly promoting environmental activities unique to Shiseido.



Environmental Management

Responding to Environmental Risks

There is a broad array of risks related to the environment and laws related to this issue are growing stricter every year in respective countries worldwide. Based on these circumstances, Shiseido's Head Office takes the lead in gathering information about new environmental laws, analyzing their provisions, disseminating information to the relevant departments and ensuring thorough compliance. Observance of environmental laws and regulations is evaluated in production departments based on ISO 14001 standards to ensure thorough compliance.

[ISO 14001 certified business sites \(PDF\)](#)

Thorough Management of Waste Materials

While waste producers are being held accountable with regard to the illegal disposal of waste materials, Shiseido is promoting optimal management to address this issue centering on waste material managers, which is a position created at all domestic worksites. Additionally, initiatives are being undertaken to practice thorough compliance by carrying out evaluations including environmental laws and regulations in production departments based on ISO 14001 standards.



Waste material management training in progress

Thorough Management of Chemical Substances

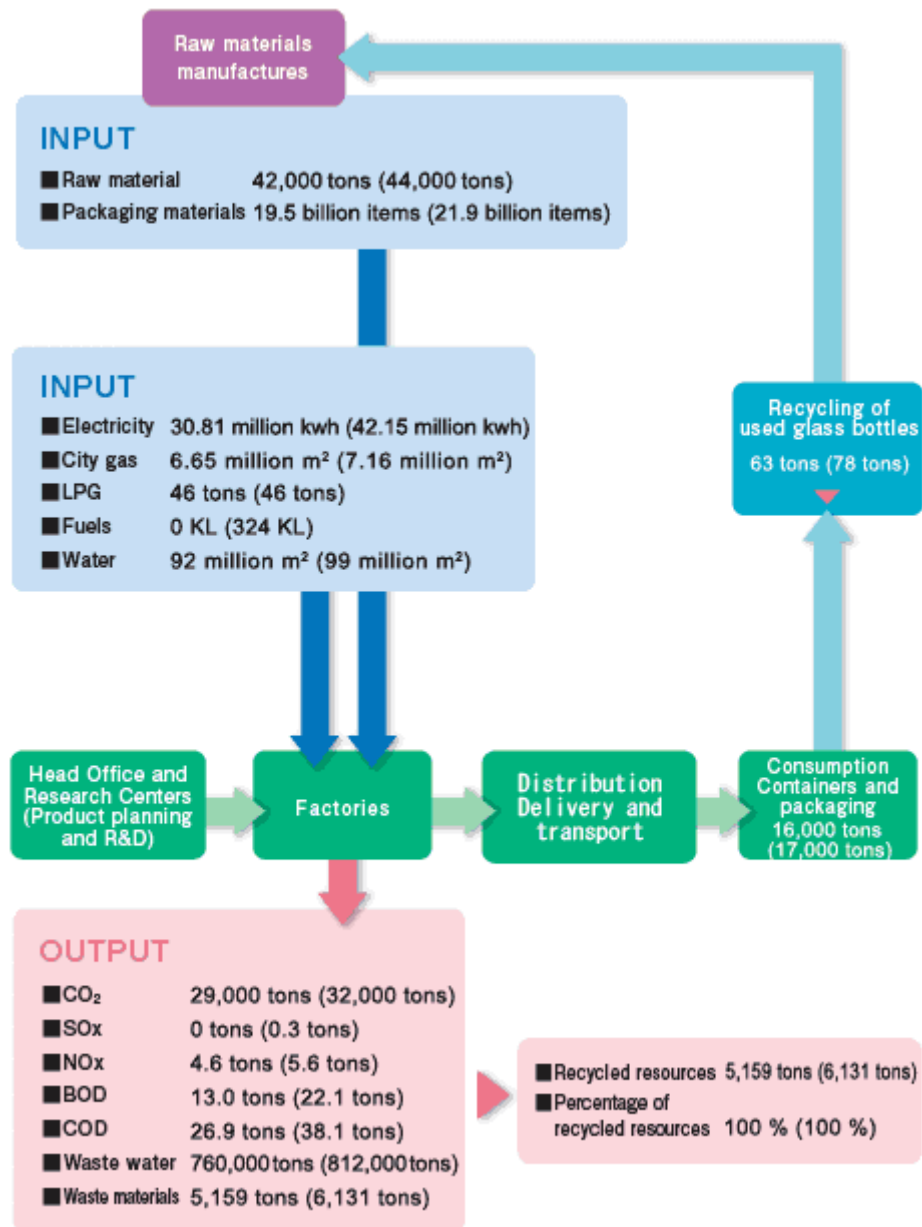
Shiseido not only satisfies the legal reporting requirements set out in the for Pollutant Release and Transfer Register (PRTR) Law and Promotion of Chemical Management but also proactively conducts voluntary management of the use and disposal of chemical substances such as ingredients and reagents in factories and laboratories.

From the standpoint of workplace safety, we issue Material Safety Data Sheets (MSDS) to business partners as legally required when transferring or supplying chemical substances containing ingredients specified by laws such as the PRTR Law and the Industrial Safety and Health Act, and we are working to systemize the issuing of MSDS for semi-finished products.

TOP > [For our precious environment] Reducing Environmental Impacts

Reducing Environmental Impacts

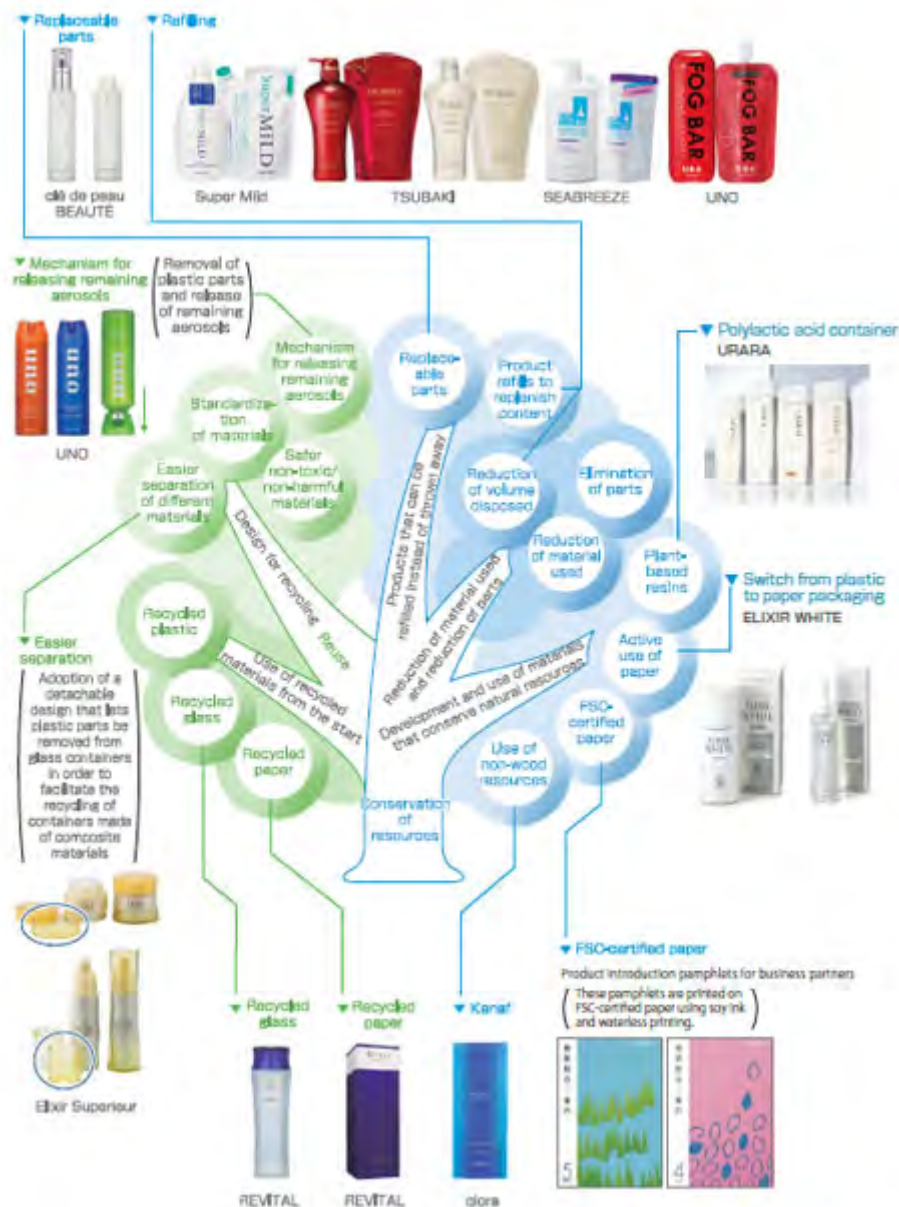
Overview of Environmental Impacts



(Previous year's results)

Environment Friendly Product Development

Shiseido's product development, research and development, purchasing, and manufacturing plants' design departments work together to incorporate environmental considerations into products by selecting environmental friendly materials, reducing excessive packaging, designing more lightweight containers and packaging, and designing easily recycled containers.



[Click an image to view as a PDF \(375 KB, 1 page\).](#)

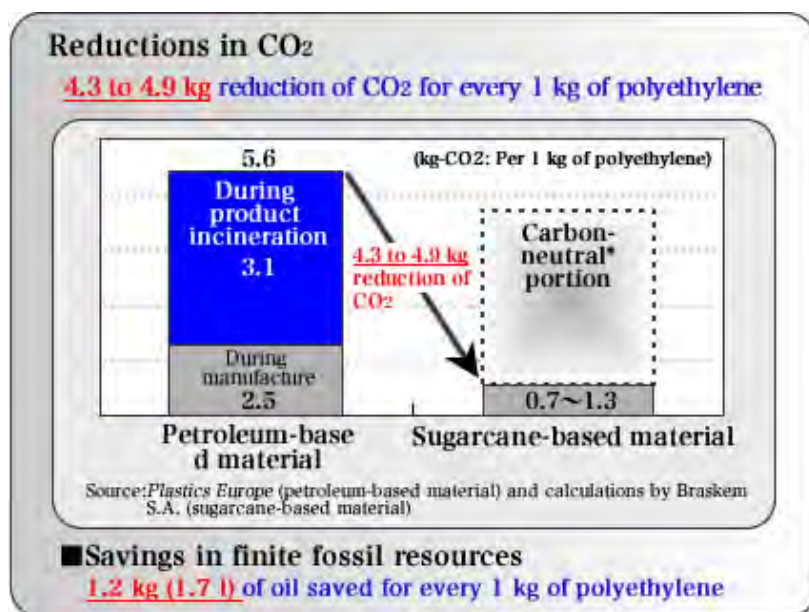
The Adobe Reader plugin or other PDF plugin is required to view PDF content.

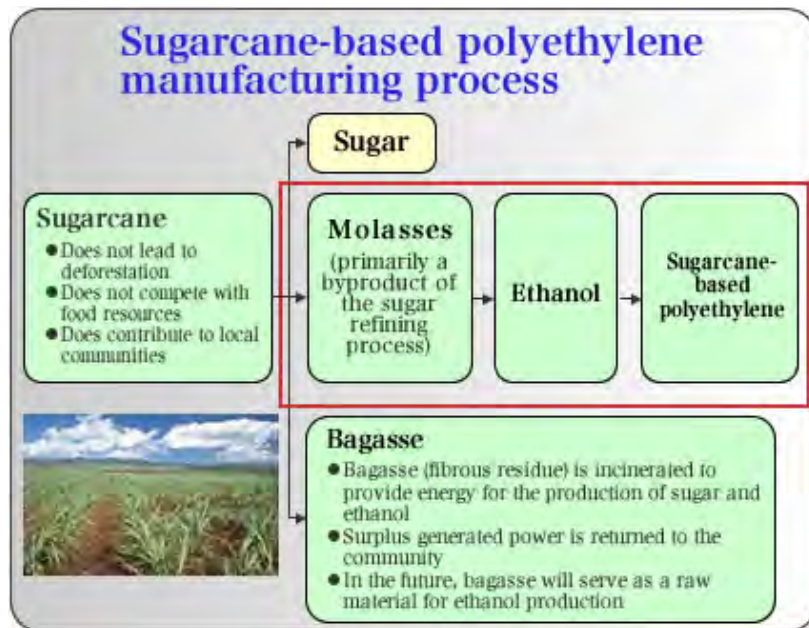
Utilizing Sugarcane-based Polyethylene in Cosmetics Containers

In October 2008, Shiseido concluded a joint development agreement with Braskem S.A. (head office: Brazil) and Toyota Tsusho Corporation (head office: Nagoya, Japan) in an effort to utilize sugarcane-based polyethylene in cosmetics containers. From 2011, Shiseido plans to proactively begin shifting to cosmetics bottles and tube containers made of sugarcane-based polyethylene, thereby strengthening its efforts to avoid increasing the concentration of atmospheric carbon dioxide (CO₂) during disposal and incineration. Containers made from petroleum-based plastics generate CO₂, one cause of global warming, when incinerated after disposal. Conversely, polyethylene containers manufactured using plant-based materials do not increase atmospheric CO₂ concentrations (that is, they are carbon-neutral*). Moreover, since the bioethanol that serves as the raw material for the polyethylene currently under development is produced by fermenting a residual liquid (molasses) that is a byproduct of the process of refining sugar by pressing sugarcane, this approach has the advantage of being less likely to compete against its use as food (sugar).

In addition, Brazilian sugarcane is one of the world's few mass-produced non-grain bio-resources, and one that offers excellent long-term sustainability and potential supply. For these reasons, Shiseido is considering using the material in a broad range of applications as part of its effort to develop environmentally friendly products.

* Carbon-neutral: Containers made from petroleum-based plastics generate CO₂ when incinerated after disposal, increasing atmospheric CO₂ concentrations and contributing to global warming. By contrast, carbon atoms in plant-based materials are derived from CO₂ that originally existed in the atmosphere since plants fix atmospheric CO₂ as they grow. Accordingly, the CO₂ generated when plant-based containers are incinerated originally existed in the atmosphere, and there is no net increase or decrease of CO₂. Thus, these materials are said to be carbon-neutral.





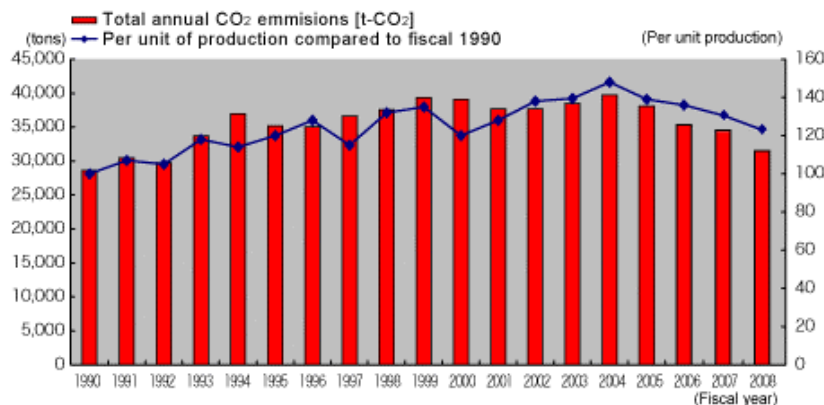
Initiatives to reduce carbon dioxide (CO₂) emissions

Activities in Domestic Factories

In fiscal 1990 emission levels were assigned a relative value of 100, CO₂ emissions associated with the use of electricity and fuel at the Company's domestic factories (measured per unit of production) improved 17 percentage points to 113 in fiscal 2008 compared with the previous year's score of 130, and total emissions decreased by approximately 1,800 tons from the previous year. These reductions were due to the deployment of energy-saving equipment and a transition from liquid petroleum gas and kerosene to natural gas. In addition to pursuing steps such as switching to more efficient fuels and deploying energy-saving equipment in the future, we are committed to working to meet our targets, including the possibility of participating in CO₂ reduction initiatives using society-wide structures such as the Kyoto Protocol being promoted by the government.

*Four domestic factories: Kamakura, Kakegawa, Osaka, and Kuki

Change in CO₂ Emissions (by Fiscal Year)



■ Installation of Solar Power Generation Equipment at U.S. Plant

Solar power generation equipment was installed at Shiseido's plant in East Windsor, New Jersey, and began operation in May 2007. With a generating capacity of 699 kW, the new system ranks is one of the largest installations of its type in the state.

Operational	May 2007
Total investment	US\$4.45 million
Solar panel area	43,960 square feet (4,084 m ²)
Generating capacity	699 kW
Annual output	840,000 kWh
CO ₂ emissions reduction	Approx. 270 tons/year



■ Using Green Electricity

The illuminated Shiseido Christmas Tree on display in front of our Head Office in Tokyo's Ginza district from November 14 to December 25, 2008, was powered by natural energy (green power) from a wind-powered generator. Additionally, we are using green power for the electricity required for conducting the General Meeting of Shareholders in fiscal 2009.



"Warm Biz" and "Cool Biz" Programs

Since fiscal 2005, Shiseido has been promoting government-sponsored "Cool Biz" and "Warm Biz" programs at all domestic worksites as part of efforts to reduce the greenhouse gas emissions that cause global warming.

We continued to implement the "Cool Biz" (June 1 to September 30) and "Warm Biz" (December 1 to March 31) programs during fiscal 2008. Through these programs we successfully cut greenhouse gas emissions and achieved the equivalent of an approximately 5% year-on-year reduction in CO₂ (a reduction of 15% compared with fiscal 2004 levels before the programs were introduced) thanks to decreased electricity use at the Head Office (Shiodome, Ginza and Gotanda) and a reduction in regional electricity consumption for air conditioning.

Starting Delivery Using 10-Sided Cardboard Boxes

Shiseido has introduced machinery for making 10-sided cardboard boxes for product shipments as well as for putting products into these boxes at the Kuki Factory. These boxes are currently adopted for TSUBAKI, Super Mild, Suibun Hair Pack and Sea Breeze hair care brands.

The 10-sided cardboard box developed by Shiseido is configured with the four corners removed from a conventional six-sided box (octagon-shaped when viewed from the top) and since its strength is increased due to a higher number of support columns, can be made thinner than conventional paper cardboard boxes. At the same time, the box enables many products to be packed inside without leaving extra spaces, thereby making delivery more efficient.

The reduction in the amount of cardboard materials used and greater delivery efficiency have enabled Shiseido to save resources and reduce CO₂ emissions by more than 800 tons annually. In this way, Shiseido promotes comprehensive environmental activities encompassing all processes from manufacturing to shipping and delivery.



10-sided cardboard box (Exterior)



10-sided cardboard box (Interior)

Launch of single color refill of Maquillage Set Eye Shadow

An eye shadow palette contains several colors so that many colors can be enjoyed at once; however, certain colors are used up faster than others, and thus, some items are difficult to use up completely. To address this issue, Maquillage Eyes Creator (3D), which was launched in January 2009, has been designed to allow single color refills, thereby making it possible to use up the items without having to waste them while also using the case for a longer period of time.



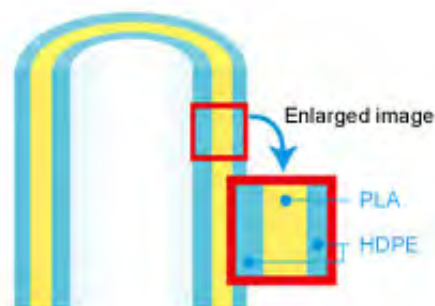
Single color refills

Commercialization of Polylactic Acid containers for URARA brand products

URARA (*Yourai* in Chinese) brand is a comprehensive cosmetics brand exclusively for the Chinese market, which was developed to strengthen sales of Shiseido's cosmetic specialty store business in China. Shiseido has developed containers with low environmental load using over 50% of plant-based plastic polylactic acid (PLA) and has adopted PLA for 5 items launched in September 2009, including shampoo products. Since PLA has disadvantages in terms of heat and shock resistance and reducing large amounts of moisture loss of contents, laminating technology has been developed to laminate the commodity plastic High Density Polyethylene (HDPE) and polylactic acid layers for optimal layer thickness, thereby realizing commercialization. This laminating technology has been newly developed for *URARA* brand products, making Shiseido the first major cosmetic manufacturer to launch PLA and polyethylene laminated containers.



URARA brand



Cross-section diagram of laminated structure

Eco Processing of Beauty Consultant Uniforms

In regard to the disposal of Beauty Consultants' uniforms for which the issue period for use has ended, from 2009 Shiseido shifted from thermal recycling, which reuses heat generated during incineration, to chemical recycling, which uses coke ovens to produce chemical raw materials. The new recycling method enables complete recycling of fibers into materials such as chemical raw materials with no residues (ash) after processing. Additionally, there are almost no CO₂ emissions, thereby enabling a significant reduction compared with conventional incineration processing.



Reduction of plastics used for AquaLabel packaging

Launched in August, an AquaLabel moisturizing skincare product was renewed to enhance skin moisturizing effects. In line with the product renewal, packaging for certain items has been changed from using conventional plastic boxes to film packaging, thereby realizing resource savings of approximately 90% (compared with conventional products). Additionally, resource conservation is also promoted throughout the brand for other items that are continuing to use plastic boxes by taking measures such as adopting thinner plastic packaging.



Switch to Plant-Based Fermented Alcohol

At Shiseido, all synthetic alcohol used by our four domestic factories and research centers has been switched to carbon-neutral, plant-based (sugarcane-based) fermented alcohol. In order to avoid competing with food sources as much as possible, we select alcohol that uses sugarcane as a raw material and is produced by individually managed processes from procurement to shipping. With this switch, we are able to reduce several thousands tons of CO₂.

Development of Manufacturing Process for Shampoo Using Minimal Energy

The Kuki Factory has successfully developed a manufacturing process using minimal energy by reviewing the shampoo manufacturing process.

Shampoo is generally manufactured by mixing oil content with a water-based solution to give hair a shiny appearance. In the conventional manufacturing process, manufacturing tanks are heated once in order to evenly mix oil content in the solution and then cool it down to crystallize oil content.

In the currently developed manufacturing method using minimal energy, the order and timing of putting crystallized oil content procured from raw material manufacturers, water and cleansing ingredients into tanks were reviewed, thereby eliminating the process of heating and cooling.

With this development, a reduction in CO₂ emissions and manufacturing time can be realized. Further, CO₂ emissions are expected to be reduced by approximately 500 tons annually when all shampoo products produced at the Kuki Factory are switched to this process.

The process is already being adopted for certain professional-use shampoo products for hair and beauty salons, and Shiseido plans to consecutively expand the process for other products in the future.

ZOTOS INTERNATIONAL, INC.

Recycling of Plastics Used for Hair Care Product Bottles

ZOTOS INTERNATIONAL, INC. (Connecticut State, U.S.A.), which manufactures professional products for hair salons for the Shiseido Group, has reduced the amount of virgin resin usage while maintaining quality, safety and also the look of the bottle.

With the introduction of plastic bottle molding equipment, bottle production, which was previously outsourced, has been shifted in-house. After that, the development of molding technology featuring an original four-layered structure, which is innovated by sandwiching two layers that contain recycled plastic with outer and inner layers comprised of thin, virgin plastic, has enabled a maximum of 70% of recycled plastic per container to be used. This is expected to reduce the usage amount of new plastics by

nearly 75 tons per year in addition to curbing CO₂ emissions by approximately 360 tons annually.



JOICO

Maquillage Makeup Line Specification Change for Tester Trays and Product Display Stands

Shiseido has switched its conventional plastic tester trays used for displaying tester products prior to the launch of new products to paper tester trays for its Maquillage makeup line. The function of a product display stand, which is used for displaying products after launch, has also been added, thereby developing a unified display unit that may be utilized as both a tester tray and product display stand.

In addition to being able to reduce the use of plastic resin by approximately 27 tons as a result of shifting from plastic to paper, the amount of paper and cardboard materials can be cut by roughly 20% by integrating the functions of tester trays and product display stands, which were previously produced separately, into a single unit. Further, it is expected that the number of 10-ton trucks used for transport and delivery will be reduced by 96 vehicles annually.



Tester tray developed only for displaying testers prior to the launch of new products



Unified display unit developed for displaying testers and as product display stand after the launch of new products

Development of Low-Energy Manufacturing Process for Skincare Emulsions

The conventional process of manufacturing emulsions generally has entailed "cooling after heating and emulsifying all ingredients." Shiseido has reviewed this process and developed a manufacturing process, whereby a "concentrated emulsion" is made by heating a small portion of ingredients and then letting the emulsion cool down naturally by diluting it with room temperature water. In addition to reducing energy used for "heating," this development has also eliminated the cooling process and realized a low-energy technique for manufacturing.

With this change, it is anticipated that CO₂ emissions will be reduced by roughly 22 tons annually during production* while also reducing content loss and manufacturing time.

Manufacturing using a low-energy technique is currently utilized for producing ROSARIUM rose body milk RX products and is slated to be consecutively introduced for other products as well.

* The figure refers to the case in which all targeted emulsion products are switched to this process.



ROSARIUM rose body milk RX

ZOTOS INTERNATIONAL, INC. Reduction of CO₂ Emissions in Logistics

ZOTOS INTERNATIONAL, INC. (Connecticut, U.S.A.), which manufactures professional products for hair salons for the Shiseido Group, has restored an old freight railway within its own factory premises in cooperation with the city of Geneva which is in New York State, thereby partially shifting the transportation of raw materials from conventional truck transportation to railway transportation.

Some raw materials equivalent to the freight of 40 trucks can be transported and fuel savings of nearly 136,000 liters annually are expected as a result of a modal shift. Further, the consolidation of raw materials which is realized by the surfactant blending technique is expected to reduce the frequency of transportation and in turn realize fuel reductions of approximately 26,000 liters annually. Through this initiative, the effect of reducing CO₂ emissions is anticipated to reach roughly 300 tons annually.

ZOTOS will continuously review all processes and identify points that can reduce environmental load in order to realize further improvements.



Introduction of Electric Vehicles (EVs) for Sales Activities

Shiseido has decided to introduce the Nissan LEAF electric car for its sales vehicles. The respective vehicle is being developed by Nissan Motor Co., Ltd., which is also certified as an Eco-First Company.

Approximately 10 EV vehicles accounting for roughly one-third of existing sales vehicles are slated to be introduced at sales offices in the Yokohama area in line with the launch of the Nissan LEAF in the latter half of 2010. This initiative will enable a significant reduction in CO₂ emissions since EVs do not emit CO₂ and exhaust emissions while running.

There are approximately 1,500 sales vehicles used by Shiseido nationwide in Japan. As a means of promoting a response to environmental concerns, plans call for consecutively expanding the introduction of EVs by considering the timing of leasing contracts and the development status of charging facilities.



Nissan LEAF

Environmentally Responsive Vietnam Factory

Shiseido's 15th factory commenced operations from April 2010 as an "environmental model factory in Asia."

At the Vietnam Factory, we have introduced a central energy monitoring system from Japan as an energy saving measure, thereby optimally controlling energy consumption by visualizing energy use within the factory. Additionally, energy saving and ecofriendly measures are also pursued in terms of lighting and cooling and airconditioning equipment through various means such as introducing these systems from Japan and neighboring countries.

Additionally, surplus soil generated from excavation during construction was reused for landscaping the premises rather than disposal, thereby achieving zero emissions from the beginning of operations.

The Vietnam Factory will continue to actively respond to energy and resource savings and zero emissions with the aim of minimizing the burden on the environment.



Vietnam Factory

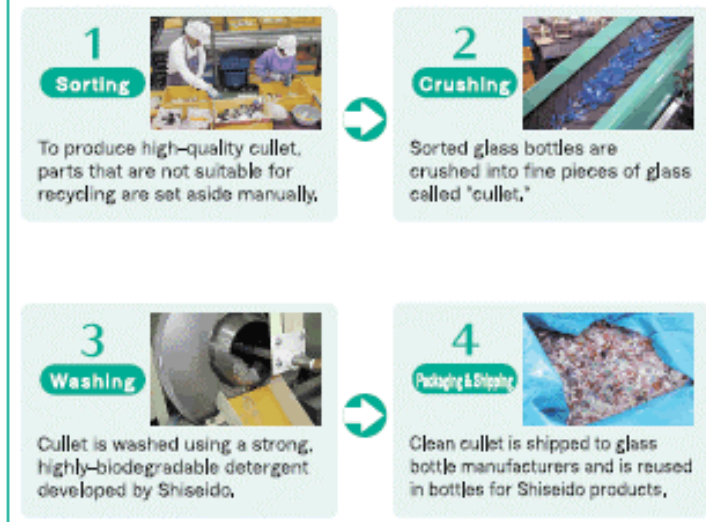
System for Recycling Used Glass Cosmetics Bottles

System for Recycling Used Glass Cosmetics Bottles

Since it launched its glass cosmetics bottles recycling program in April 2001, Shiseido has been expanding the program throughout Japan which is now entering its eighth year in April 2009. The Company promotes recycling through developing resource recycling systems with customers, retail stores and glass bottle manufacturers to efficiently reuse limited resources.



Process until cullet is recycled as raw material for cosmetics glass bottles



Trends in volume collected

FY2008	78 tons
FY2007	115 tons
FY2006	141 tons
FY2005	121 tons
FY2004	114 tons
FY2003	97 tons
FY2002	65 tons
FY2001	28 tons

Recycling Used Glass Cosmetics Bottles into Art

From the perspectives of cultural support and environmental preservation, Shiseido supports figurative artist Ms. Michiko Miyake by providing used glass cosmetics bottles.

Ms. Michiko Miyake reuses used glass bottles to produce a "Recycling" design series, in which glass bottles that had served their original purpose have been newly transformed into beautiful art. In December 2006, used glass bottles were efficiently reused for dressing tables in the Marukame shopping district in Takamatsu city, Kagawa Prefecture.



Dressing tables used at
the Marugame-machi Shopping Arcade



Tables used at
the Marugame-machi Shopping Arcade

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Strengthening Environmental Communication

Environmental Education Activities

Environmental e-Learning Program

Since fiscal 2006, Shiseido has been offering Environmental e-Learning programs for employees (approximately 9,300 individuals participated in fiscal 2008) on a regular basis via our company LAN [Intranet] with the aim of improving employees' understanding of why environmental activities are important and what Shiseido is doing to help conserve the environment.



Soliciting Eco Ideas from All Employees

Shiseido solicited eco ideas targeting all domestic employees in fiscal 2007. President Shinzo Maeda sent a letter to employees calling on them to actively provide proposals, which resulted in approximately 19,000 submissions.



Environmental Public Relations

Receives Semi-grand Prize in Shizuoka Prefecture Environmental Campaign

Shiseido's Kakegawa Factory won the Semi-grand Prize in the CSR and Eco Office category (out of 139 participating teams) of Shizuoka Prefecture's Stop Global Warming Grand Prix, held on February 23, 2008. The campaign was first held in 2007 to provide an opportunity for all Shizuoka Prefecture residents to take action to prevent global warming in a range of ways.



Announcement of results
at the Stop Global Warming
Grand Prix



Award ceremony



Trophy, certificate,
and ceremony catalog

Cooperation with Nakamura Gakuen Middle School (Koto-ku, Tokyo) on Environmental Education

On January 29, 2008 Shiseido conducted a lecture on the Company's environmental initiatives as part of a joint effort with Nakamura Gakuen Middle School to educate students on the environment.



Lecture for students from Namakura Middle School (located in Tokyo's Koto Ward) (January 29, 2008)

Joint Environmental Workshop with Saitama Prefectural Government

On January 27, 2009, Shiseido jointly held an environmental workshop with the Saitama Prefectural Government at which both parties introduced their environmental efforts while also discussing plans for collaboration on environmental initiatives between public and private organizations.



Environmental workshop

Introduction of Environmental Activities at Shiseido Sales Conference

Shiseido introduced its environmental activities to visitors, including business partners, by setting up an environmental booth at the fiscal 2008 Shiseido Sales Conference (new products briefing session).



Cooperation with Kamakura Jogakuin Junior and Senior High School on Environmental Education

The Kamakura Factory has been involved in an environmental education program at Kamakura Jogakuin Junior and Senior High School since fiscal 1999. As part of this program, the plant offered tours of its environmental and other facilities, and introduced students to its waste material recycling and energy conservation initiatives.



Students attending a lecture



Students touring the factory

Shiseido Exhibited at Eco-Products 2009

Shiseido participated in Eco-Products 2009 held at Tokyo Big Sight from December 10 to 12. Along with setting up an exhibition booth for introducing its corporate activities, Shiseido conducted an "Eco Pro Class" at the Junior Green School set up in the special theme zone for elementary, junior high and high school students and their families, promoting its environmental education program in a workshop format.

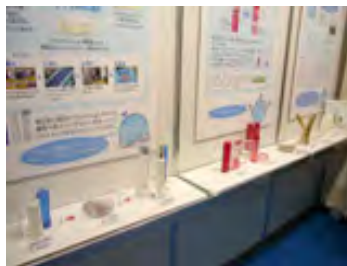
For the Eco Pro Class, together with a lecture regarding Shiseido's environmental initiatives, all participants conducted an experiment on foaming facial cleanser. In the exhibition booth, in addition to displaying Shiseido's eco-friendly products and panels, an area was established for experiencing the effect of sunscreen, thereby enabling visitors to deepen their understanding about Shiseido's environmental activities.

We were able to receive many comments from participants via a questionnaire, such as: "It was a good opportunity to find out about environmental activities of cosmetics since I was wondering about it." and "I support Shiseido and I hope that the company will continue to promote environmental activities."

Shiseido will further strengthen its environmental initiatives along with disseminating information through various means.



Eco Pro Class



Booth display (interior)



Booth display (exterior)

Environmental Initiatives Promoted by Three Business Sites Received Awards

Environmental initiatives promoted by three of Shiseido's business sites in Japan received awards from Yokohama City and Chuo Ward in Tokyo.

<Environmental Action Award from Yokohama City>

On November 29, the Shiseido Research Center (Shin Yokohama) and Shiseido Research Center (Kanazawa-Hakkei) have received the Yokohama Environmental Action Award from Yokohama City and were certified as excellent garbage separation business sites. As part of its Yokohama 30 Plan, Yokohama City is currently undertaking efforts to reduce waste and promoting recycling by setting the target of reducing the amount of garbage disposed of by 30% compared with fiscal 2001 levels by fiscal 2010.

The following three points are the certification standards for excellent (three-star) business sites.

1. Separation of items is properly being carried out
2. Separation is thoroughly being carried out
3. All recyclable items are being recycled

In addition to meeting these certification standards, various activities at the respective research centers were recognized, including persons in charge trying to quickly solve problems when they occurred in cases such as waste separation and adjusting food materials in accordance with information on increases/decreases of cafeteria users to

avoid leftover food as much as possible as a means of reducing raw garbage and other waste generated from the cafeteria. Moreover, raw garbage generated from the cafeteria is composted using a raw garbage processor and distributed free of charge to interested parties in the local community and employees of research centers.



Plaques presented by Yokohama City

<Testimonial Award Presented by Mayor of Chuo Ward, Tokyo>

On December 7, Shiseido Co., Ltd. (Shiseido Head Office building) received a testimonial award in recognition of its "eco responsiveness as the owner of a business use, large-scale building" along with New Japan Radio Co., Ltd. from the mayor of Chuo Ward in Tokyo.

The three points for receiving the award are as follows:

1. Overall building has addressed garbage issue by creating an organization promoting waste reduction that also involves tenants
2. Achieving recycling rate of 100%
3. Separation is managed in an easy-to-understand manner

Shiseido will continue to promote various environmental initiatives at respective business sites beginning with waste reduction.



Shiseido Corporate Officer Takafumi Uchida receives testimonial from the mayor of Chuo Ward

Research on KODA

Shiseido has discovered through conducting joint research*1 with Sumitomo Forestry Co., Ltd. that KODA (α -Ketol-OctadecaDienoic Acid), which is a new type of natural plant fatty acid with the stimulatory effect of activating flower initiation (process of

flower formation), has a stimulatory effect on rhizogenesis (root formation) of cuttage. Application of this effect has significantly increased the cutting propagation rate of Somei-yoshino cherry trees through cuttage, for which root formation was previously considered unstable.

Subsequently, together with Sumitomo Forestry, Shiseido has succeeded in the propagation of successor saplings originating from camellia trees that are over 300 years old at Reikan Temple in Kyoto as well as 350 years old Camellia Sasanqua trees at Ankokuron Temple in Kamakura city that were in danger of dying due to decay. The stimulatory effect of KODA on rhizogenesis has contributed to preventing the loss of a "diversity of species" from a biodiversity perspective.

Research on KODA started with developing cosmetic ingredients through plant tissue cultures. We are now researching in the joint project*2 on the development of flower initiation control technology of fruit trees. In addition to it, other various researches on KODA are currently underway in such areas as the agricultural products in which the yields is declined due to global warming. Such technology is expected to contribute to the impact on agricultural products caused by climate change, which is induced by global warming.

*1 Joint research project ("Enhancement of CO₂ sinks by improvement of afforestation technology in tropical forests") funded by the Environment Research & Technology Development Fund administered by the Ministry of the Environment

*2 Joint research project ("Development of flower initiation control technology of fruit trees using KODA") supported by a grant-in-aid from the Research and Development Program for New Bio-industry Initiatives



Stimulatory effect of KODA on rhizogenesis of cuttage of Somei-yoshino

Tsubaki Forest Tree-Planting and Conservation Program

In February 2009, Shiseido signed an agreement to participate in the Corporate Forest program in Wakayama Prefecture, marking the start of forest conservation activities by planting approximately 3,000 Japanese camellia trees on about 1.7 hectares of land over the next 10 years in the Tsubaki district of Shirahama-cho in Nishimuro-gun, Wakayama Prefecture.

The first volunteer activity was conducted in October 2009, in which more than 100 Shiseido employees and their families participated in tree planting and weeding.

Shiseido will continue its annual volunteer activities along with promoting ongoing conservation efforts directed toward development of the Tsubaki Forest.



First volunteer activity

TOPICS

Shiseido Receives "Eco-First Company" Certification from the Japanese Ministry of the Environment

On March 9, 2009, Shiseido became the first company in the cosmetics industry to be certified under the Japanese Ministry of the Environment's "Eco-First Company."



Shiseido President Shinzo Maeda (right) receives official certification as Eco-First Company from Minister of the Environment Tetsuo Saito (center) and Hideki Minamikawa, Ministry of the Environment, Japan.

Shiseido's Eco-First Commitment

(The Company's commitments are presented in summary form.)

1. Shiseido will actively pursue initiatives to prevent global warming.
2. Shiseido will actively pursue initiatives to realize a recycling-oriented society.
3. Shiseido will actively propose activities for realizing a society characterized by the beautiful coexistence of humankind and the planet Earth, both inside and outside the company.

In addition to verifying the progress of these initiatives and reporting the results to the Ministry of the Environment, Shiseido will officially announce these results through its website and other channels.

About the Eco-First Program

The Eco-First Program was created by the Ministry of the Environment in April 2008 to "encourage leading companies in each industry to redouble their environmental protection activities by having them make a commitment to the Minister of the Environment concerning their environmental protection initiatives such as global warming countermeasures geared toward compliance with targets mandated by the Kyoto Protocol." Certified companies are permitted to use the Eco-First Mark (see below) in publications and advertising.



For more information, see
[Eco-First\(PDF:29KB\)](#)

TOPICS

Shiseido's Kuki Factory Receives Encouragement Prize at PRTR Grand Prize Event

Shiseido's Kuki Factory has received the Encouragement Prize as part of the PRTR Grand Prize 2008 event held by the Center for Environmental Information Science. The Pollutant Release and Transfer Register (PRTR) Law was enacted in 2001 with the objective of reducing the environmental risks posed by chemical substances by requiring businesses to assess their own environmental emissions of chemical substances and to implement appropriate management processes, and by facilitating good communication through the sharing of information related to chemical substances with citizens and government. The PRTR Grand Prize program recognizes corporations that have achieved outstanding results by taking the initiative to manage chemical substances based on an understanding of the system's provisions and actively undertaking risk communication programs designed to earn the understanding of citizens concerning the status of those efforts.

In addition to adopting [an Environmental Policy based on the principles laid out in the Shiseido Eco Policy](#), Kuki Factory has actively pursued environmental activities, as evidenced by its becoming the first facility in the Japanese cosmetics industry [to receive ISO 14001 certification](#) in 1997. The factory has also worked actively to reduce CO₂ emissions, which it recognizes as a global problem, by deploying a cogeneration system (an energy supply system that reuses waste heat from power generation to meet thermal demand for air conditioning and heating, hot water, etc.), transitioning to an energy-saving air conditioning system, and replacing lighting with energy-efficient fluorescent bulbs. Efforts to reduce waste volume have centered on the "3R's" for building a recycling-based society (reduce, reuse and recycle), and in 2003 the facility achieved zero emissions by recycling of 100% of its waste product stream. More recently, the factory has expanded efforts to convert waste substances that had been disposed of as waste products into valuable resources by selling them at a profit.

The Encouragement Prize was awarded in recognition of the factory's proactive

approach to communicating with the local community and disclosing information as reflected in a risk communication program consisting of a 2007 discussion of safety and environmental considerations in cosmetics. Meiji University professor Masaru Kitano acted as facilitator for the event, which brought together local residents and governmental representatives from Saitama Prefecture and Kuki City.

Going forward, Kuki Factory will continue to pursue environmental activities in order to fulfill its social responsibility as a corporate citizen, including by promoting activities to reduce the environmental impact of its operations, thoroughly implementing environmental risk management practices through such processes as chemical substance management, and proactively advancing communication with its local community.



At the risk communication event



At the award ceremony (Kuki Factory Facilities Administration Group Leader Junichi Nakagawa [left])

Tree-planting Program

Lanzhou City, Gansu Province in China

In April 2008, Shiseido launched a 10-year tree planting program in the city of Lanzhou in China's Gansu Province. The initiative seeks to contribute to Chinese society, including by deepening the bonds of friendship between Japan and China, protecting the environment by reducing CO₂, and creating opportunities for local employment.

Location	Lanzhou city, Gansu Province, China
Planting area	Approx. 70,000 m ²
No. of trees	Approx. 38,000 (April 2008, to May 2009)
CO ₂ absorption<*>	Approx. 98 tons/year
Program duration	Approx. 10 years

* Calculation based on CO₂ absorption per tree according to the Forestry Agency of Japan's Ministry of the Environment.



Monument commemorating the tree-planting program



Shiseido Group employees from China and Japan carrying out the tree-planting program



Participants gathering around the monument

TOPICS

Shiseido Signs Agreement on Tsubaki Forest Tree-planting Program with Wakayama Prefecture

On February 20, 2009, Shiseido signed an agreement at the Wakayama Prefectural Office pledging its commitment to participate in Corporate Forest, a forest conservation program in Wakayama Prefecture spearheaded by a number of companies and organizations. Shiseido will plant approximately 2,700 Japanese camellia trees and implement a forest conservation program over the next 10 years on about 1.7 hectares of land in the Tsubaki district of Shirahama-cho in Nishimuro-gun, Wakayama Prefecture.

As suggested by its name (tsubaki is Japanese for camellia), the Tsubaki district of Shirahama-cho has long enjoyed a deep association with the camellia, making it an ideal site for planting camellia trees, particularly as the species is used as Shiseido's corporate emblem and is featured on its products. Given the area's history of active involvement in reforestation and corporate tree-planting programs, Shiseido anticipates receiving strong support from local residents and the forestry cooperative. The Tsubaki Forest tree-planting program is the result of multiple suggestions received from employees as part of the company's Eco Idea Proposal System initiated in fiscal 2007.

At the signing ceremony, Wakayama Prefecture governor Yoshinobu Nisaka remarked, "The camellia forest will be visible from the national highway. Shiseido's corporate image is a brilliant one, and I am grateful on a number of levels." Shirahama-cho mayor Seiichi Tachitani added, "We're delighted that a global company is planting camellia trees in reference to our area's name. We hope to use this program to give new momentum to efforts to revitalize the Tsubaki Hot Spring district." Corporate Officer Takafumi Uchida represented Shiseido at the ceremony and described the Company's aspirations for the project when he noted that "Shiseido has always had a deep association with the camellia, as reflected by various popular products such as *HANATSUBAKI* perfumed hair oil at the time of its founding during the Meiji period, and more recently, the *TSUBAKI* hair care line. For this reason, we feel a deep connection to the place name of Tsubaki City. In the future, we hope to pursue a nature-oriented environmental conservation program by using oil from the camellia trees planted here in our cosmetics products." Shiseido will continuously undertake efforts do its part to conserve area forests and reduce CO₂ emissions through volunteer activities including tree planting and weeding.



Wakayama Prefecture governor Yoshinobu Nisaka (left), Shirahama-cho mayor Seiichi Tachitani (right), and Shiseido corporate officer Takafumi Uchida (center)



Planned tree-planting site

TOP > [For our precious environment] Environmental Data

Environmental Data

Environmental Accounting

[Environmental Accounting\(PDF:34KB\)](#)

Status of ISO 14001 Certification

[Status of ISO 14001 Certification\(PDF:690KB\)](#)

Environmental Policy

[Environmental Policy \(PDF:94KB\)](#)

Energy Consumption at Manufacturing Sites in Japan (Fiscal 2009)

[Energy Consumption at Manufacturing Sites in Japan \(Fiscal 2009\) \(PDF:28KB\)](#)

Change in CO₂ Emissions (Domestic Factories)

[Change in CO₂ Emissions \(Domestic Factories\) \(PDF:34KB\)](#)

Waste Generation and Recycling Rate at Manufacturing Sites in Japan (Fiscal 2009)

[Waste Generation and Recycling Rate at Manufacturing Sites in Japan \(Fiscal 2009\) \(PDF:32KB\)](#)

Compliance with the PRTR Law

[Compliance with the PRTR Law\(PDF:14KB\)](#)

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TOP > [History of social and environmental activities]

History of social and environmental activities

■ Company History

- 1872 Establishes Japan's first Western-style Shiseido Pharmacy in Ginza, Tokyo
- 1888 Markets Japan's first toothpaste, *Fukuhara Hygienic Tooth Brushing Soap*
- 1897 Enters cosmetics market with *Eudermine* skin lotion
- 1915 Registers trademark *Hanatsubaki*
- 1921 Establishes the Five Management Principles
- 1923 Adopts chain store system
- 1927 Changes from limited partnership to joint-stock company
Adopts system of sales companies
- 1939 Establishes Shiseido Research Laboratory
- 1949 Lists shares on Tokyo Stock Exchange
- 1953 Establishes Shiseido Institute of Beauty Science
- 1972 Celebrates 100th Anniversary
- 1974 Begins beauty salon classes for new college graduates
- 1983 Issues first convertible bonds
Signs technological collaboration agreement with Beijing City
- 1985 Establishes Institute of Beauty Sciences
- 1988 Liberalizes dress code and usage of compellations among colleagues
- 1989 Establishes Corporate Ideals
Announces Corporate Slogan, "Science of making people more beautiful"
- 1990 Introduces selection-type system for developing human resources
Introduces parental leave system
Introduces system of time off from work for personal revitalization
Introduces system of consecutive days leave
- 1991 Introduces system of childcare during work hours
- 1993 Introduces system of taking leave to care for family members
- 1997 Announces "The Shiseido Way"
-Declaration of Corporate Behavior
Establishes Corporate Ethics Committee
Announces "The Shiseido Code"
(Corporate Ethics and Behavior Standards)

- 2000 Announces new Corporate Message,
"Work together·Art de Vivre"
- 2002 Implements "wiwiw" program to support employees on parental leave
- 2003 Opens in-house childcare center
Revises "The Shiseido Code" (Corporate Ethics and Behavior Standards)
- 2004 Establishes CSR Department (reports directly to President)
Establishes CSR Committee
Establishes Action Plan for Support of Education for the Next Generation
Participates in the United Nations Global Compact
- 2005 Formulates new corporate message "This moment. This life. Beautifully."
- 2006 Announces the Shiseido "Shared Education" Declaration
Establishes Ecole Shiseido
- 2008 Established Shiseido China Training Center in Shanghai
Established Shiseido Business Solution Co., Ltd

■ Social Contribution Activities

- 1919 Opens the Shiseido Gallery
- 1924 Publishes inaugural issue of *Shiseido Geppo* (Shiseido Monthly Newsletter)
- 1928 Holds the first Shiseido Art Exhibition
- 1933 Publishes inaugural issue of *Shiseido Graph*
- 1937 Establishes Shiseido Hanatsubaki Club, publishes inaugural issue of
Hanatsubaki
- 1947 Hosts the first Tsubakikai (Camellia Group) Exhibition
- 1949 Begins "personal appearance lectures" for developmentally challenged and
elderly people
- 1964 Supports Paralympic Games Tokyo
- 1972 Establishes Shiseido Social Welfare Foundation
Hosts Shiseido International Conference: "Seminar on Light and the Skin"
- 1977 Hosts "Six Designers in Paris"
- 1978 Opens Shiseido Art House (Kakegawa, Shizuoka)
- 1980 Hosts Shiseido International Conference: "The Skin and Science of Cosmetics"
- 1983 Establishes Hanatsubaki Award for Contemporary Poetry
- 1984 Prepares and distributes cosmetic booklet for skincare in Braille
- 1985 Hosts Shiseido International Conference: "Aging and the Skin"
Hosts Shiseido Exhibition of Advertising Art in New York

- 1986 Prepares and distributes cosmetic booklet for makeup in Braille
Musée de la Publicity hosts exhibition entitled "Beauty and Advertising at Shiseido: 1872 - 1986"
- 1987 Prepares and distributes audio tape of cosmetic information for visually impaired
Supports Shiseido Musical "Les Miserables"
- 1989 Establishes MGH/Harvard Cutaneous Biology Research Center and begins joint research
Hosts Shiseido International Forum 1989: "Successful Aging"
- 1990 Establishes Corporate Culture Department
- 1991 Markets hypoallergenic rice, *Fine Rice*
Establishes Shiseido Research Fund for Skin Aging
Hosts Shiseido International Forum 1991:
"Successful Aging: Relationship between the body and spirit"
- 1992 Develops makeup method for hiding birthmarks and dark skin blemishes
Introduces Social Contribution Awards for employees
Hosts Science Symposium commemorating Shiseido's 120th Founding Anniversary:
"Human Health Sciences and the Skin"
Opens Shiseido Corporate Museum (Kakegawa, Shizuoka)
- 1993 Adopts Social Studies Days program
Hosts Shiseido Science Forum 1993:
"Successful Aging: Stimulation of the spirit-Creativity and self-expression"
- 1995 Provides recovery assistance after the Great Hanshin Earthquake
Markets *Shiseido Perfect Cover*
Hosts Shiseido Forum 1995: "Successful Aging: My fragrance"
- 1997 Supports Paralympic Games Nagano
Institutes program for sending employees overseas to experience volunteer work
Hosts Shiseido Science Symposium 1997:
"Skin-Interface of the body. A new era of skincare"
Hosts Shiseido Forum 1997: "Frontline of Successful Aging"
Hosts corporate culture exhibit in Paris:
"Paris-Tokyo-Paris Shiseido 1897-1997 la Beauty"
- 1998 Introduces "Matching Gift" program
Hosts corporate culture exhibit in Tokyo: Shiseido Meme Exposition
- 1999 Hosts Shiseido International Forum 1999:
"Successful Aging: Rejuvenated sense of touch-The feel of youthful skin"
- 2000 Hosts Shiseido Science Symposium 2000 Skincare Millennium:
"The Skin and Genes-Making the Connection"
at Grey Art Gallery, New York University

- Hosts "Face to Face/Shiseido and the Manufacture of Beauty 1900-2000 Exhibit"
- 2001 Hosts Shiseido Forum 2001: "Successful Aging: Time refines humans"
- 2002 Receives "Business Ethics Most Outstanding Effort Award" from Business Ethics Research Center
- 2003 Receives "Survey on Corporate Contributions to Society 2003" award from Asahi Shimbun Foundation
Hosts Shiseido Forum 2003: Successful Aging "How to add years and control aging"
- 2004 Announces to join the United Nations Global Compact
- 2005 Establishes Shiseido Social Contribution Club Hanatsubaki Fund
- 2006 Establishes Hanatsubaki Factory Co., Ltd.
- 2007 Receives the Mecenat Grand Prize at Japan Mecenat Awards
Hosts Shinzo Fukuhara, Art & Shiseido Exhibition
- 2008 Receives the 3rd Nikkei Patent-Friendliness Award
Supports the "CEO Declaration to Respect and Support Human Rights in Corporate Activities" on the occasion of the 60th Anniversary of the Universal Declaration of Human Rights spearheaded by the United Nations Global Compact
- 2009 Receives the 2009 Integrity Award Grand Prize
Opens the SHISEIDO LIFE QUALITY BEAUTY CENTER in China (Shanghai) and Taiwan (Taipei and Kaohsiung)

■ Environmental Activities

- 1989 Declaration to eliminate the use of chlorofluorocarbons
- 1990 Completes elimination of chlorofluorocarbons
- 1991 Inaugurates Environmental Coexistence Committee
(organ for company-wide deliberation of environmental issues and setting direction of company's environmental policies)
- 1992 Establishes Shiseido Eco Policy
(business policies related to the environment)
- 1993 Establishes Product Planning Eco Guidelines(guidelines for planning and designing products that consider the environment)
- 1996 Initiates public disclosure of environmental data
- 1997 Acquires ISO 14001 certification at Kuki Factory(the first in domestic cosmetics industry)
Establishes Shiseido Global Eco Standards(for product development)

- 1998 Publishes Shiseido *1997 Environmental Report (Environmental Reports*
published annually hereafter)
Announces "Four Promises to Society" concerning the environment
- 1999 Hosts Environmental Symposium
- 2000 Receives Director General of Environment Award in Global Environmental
Awards of FujiSankei Business i Completes ISO 14001 certification
acquisitions at all domestic
and overseas cosmetics factories (15 plants)
Completes elimination of polychloride vinyl in containers / packaging
- 2001 Develops nationwide system for recycling used glass bottle containers
Announces new environmental goal:
Installs cogeneration system at Kuki Factory
- 2002 Receives Minister of Education, Culture, Sports, Science, and Technology
Award in Global Environmental Awards of FujiSankei Business i.
- 2003 Activities zero emissions at all domestic cosmetics factories
and Ginza head office/ Shiodome office
- 2004 Receives an Incentive Award in the Environmental Communication
Awards
- 2005 Establishes the Supplier Code of Conduct (CSR Procurement Standards)
- 2006 Converts boilers to more environmentally friendly fuels (Kakegawa Factory,
Osaka Factory) (Reducing CO₂ emissions)
- 2007 Installation of solar power generation equipment at U.S. factory
- 2008 Starts tree-planting program in China
Declaration of participation in the United Nations Global Compact's Initiative
on Climate Change
- 2009 Receives "Eco-First Company" certification from Japanese Ministry of the
Environment
Starts tree planting program in Japan (Shirahama, Wakayama)

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Communication

Third Party Evaluation



Toshihiko Fujii
Consulting Fellow,
Research Institute of Economy, Trade and Industry
(RIETI)

1. Significant Advancement

While this year marks the second year for me to make statements for Shiseido's third party evaluation, it was evident from the fiscal 2010 report that Shiseido's CSR activities have advanced significantly over the past year. I stated in last year's third party evaluation that "it is important to fulfill accountability regarding the selection of issues to be addressed and issues that will not be addressed. In this respect, Shiseido is expected to "visualize" the CSR verification process."

In this year's report, the verification process by the CSR Committee was clarified as a system incorporating four steps from "items required by society" to "items that should be addressed." Also, it has been reported that as a result of verification, "initiatives for promoting biodiversity," "initiatives for reducing animal testing," and "initiatives for securing safety of products and services" were selected as targeted areas for action.

With regard to animal testing, I mentioned in last year's third party evaluation that "There is no doubt that a considerable number of readers, especially international readers, are concerned about animal testing. Reports, however, briefly refer to the Company's contribution toward widespread use of alternative testing methods. At the same time, I expect that issues related to animal testing will be raised in future stakeholder dialogues as well."

This year, Shiseido held a "Roundtable Discussion Aimed at Eliminating Animal Testing for Cosmetic Ingredients," inviting non-profit organization representatives who promote initiatives to eliminate animal experiments. Information pertaining to discussions held during stakeholder dialogue is available to the public. With regard to management's commitment to Shiseido CSR, President Maeda clarified the policy of "eliminating animal testing internally for cosmetics development by the end of March 2011." In this respect, I would like to praise Shiseido's initiatives to implement stakeholder dialogue with transparency and determination in order to acknowledge stakeholder concerns.

2. Evaluation of Social Contribution Activities

Shiseido is promoting a wide range of social contribution activities. In particular, SHISEIDO LIFE QUALITY BEAUTY PROGRAM received the "Beauty with Heart Prize" Corporate Philanthropy Award* Special Prize. This program successfully introduces the public nature of Shiseido's business to society and employees.

3. Future Issues

I would like to state three points as future issues. Firstly, in terms of human resources, Phase 3 of the Gender Equality Action Plan was newly formulated under the basic policy of "enhancing corporate trust among employees who are a major stakeholder." Specific initiatives that are promoted based on the key issues of "strengthening the appointment and promotion of female leaders and human resources" and "reviewing how employees work to improve productivity" can receive high recognition. On the other hand, from the perspective of respecting diversity, I would like to note that Shiseido, which has many female employees, is a company garnering social attention. Shiseido is expected to assume a leading role in society. In this respect, the Company is expected to focus further on socially responsible personnel measures while boosting its ability to widely communicate these efforts to society. In addition to gender-related measures, including those for women, Shiseido will be expected to address the social issue in Japan of improving the working environment, whereby all employees in the same workplace may equally exert their capabilities.

The second point concerns social responsibility related to supply chain management. In terms of relationships with business partners, Shiseido's ongoing efforts of communicating the Shiseido Group Supplier Code of Conduct to its business partners are recognized. However, specific information such as the implementation status of the code of conduct has not been disclosed. To this end, the next required step would be to verify the implementation status and resolve any issues together with business partners if problems exist.

The third point is to help resolve social issues in developing countries through business. I mentioned expectations for Shiseido's efforts to "reinforce initiatives for creating new market value" in the last year's third party evaluation. In this year's report, Shiseido introduced the SHISEIDO LIFE QUALITY BEAUTY PROGRAM for product development and customer response at storefronts. However, by taking further steps forward, Shiseido would in turn likely achieve greater market value. Although such issues cannot be resolved easily, solutions may be found through various initiatives, for example, by gathering the wisdom of Shiseido Group employees throughout the world in globalizing the Chie-Tsubaki proposal system.

4. To Advance Further

I mentioned points that are recognized and remaining issues from this year's report in the previous sections. In this last section, I would like to make remarks on the direction of Shiseido CSR initiatives.

The principle of CSR is to accept external values that are particularly different from internal values and change the "company's own ways of doing things." This is not easy. However, response to animal testing, which I mentioned as a significant example of progress, suggests that Shiseido correctly understands the principle of CSR.

Nonetheless, this will not be the last issue that requires fundamental changes to "conventional ways of doing things." Stakeholder expectations will continuously diversify along with the acceleration of globalization. Supply chain management issues pointed out in "Future Issues" in section 3. is one example. ISO 26000 will be issued as an international standard for social responsibility at the end of 2010. When this standard starts to be utilized in respective countries, Shiseido will have to cover a wide range of issues related to society, human rights and the environment.

The report mentions that Shiseido is dedicated to promoting both "CSR unique to Shiseido" and "basic CSR." I would like to emphasize the importance of "basic CSR" based on these perspectives. CSR verification conducted by the CSR Committee enables verification of "items requested by society, strength of social impact, items that can or cannot be addressed by Shiseido and risks of failing to respond," as well as helps the Company to achieve its goals. This is truly the key to whether or not Shiseido CSR can advance further.

In line with the expectations of international society, as a global company, Shiseido should constantly be aware of global societal needs.

Comments on the Third Party Evaluation for Shiseido CSR website

Kimie Iwata,
Vice President and Representative Director, and Chairman of CSR Committee and Compliance Committee

I would like to take this opportunity to express our appreciation for providing valuable opinions and suggestions regarding Shiseido CSR activities as a follow-up to last year's evaluation.

Shiseido considers its relationships with all stakeholders, including customers, business partners, shareholders, employees and society, to be indispensable elements for achieving sustainable corporate development. Shiseido is thereby undertaking various initiatives via the CSR Committee and Compliance Committee, both of which are under the direct control of the Board of Directors, in order to promote CSR activities company-wide.

Last year, we received the valuable opinion that "Shiseido is expected to visualize the CSR verification process." Based on the recognition that society expects Shiseido to clearly fulfill its accountability to its stakeholders, in fiscal 2010, Shiseido has taken

measures to "identify specific CSR tasks utilizing Shiseido's strengths," thereby disclosing the CSR verification process and results in this year's report. We also received suggestions regarding the importance of enhancing engagement with stakeholders. We selected "elimination of conducting animal testing internally" as an issue to be deliberated upon based on the aforementioned CSR verification results. Subsequently, the basic policy was announced to address this issue and specific initiatives were introduced at the stakeholder dialogue held in June 2010. As globalization accelerates in the social context, Shiseido believes that the Company is highly regarded for clearly reporting the direction of Shiseido CSR activities, with a proper understanding of major tasks and risks involved.

Moving forward, Shiseido will make further efforts to comprehend what society expects and requests directed to the Company, as well as strengthen CSR verification systems and frameworks. In turn, the Company will utilize these sources for promoting future CSR activities and continue promoting various communications with stakeholders. In particular, since Shiseido conducts business throughout the world as well as Japan, we will sincerely address the diverse expectations of global stakeholders, pursuing improvements toward progress in resolving issues by keeping CSR fundamentals in mind.

According to our Corporate Mission, "We seek to identify new, richer sources of value and use them to create a beautiful lifestyle," Shiseido will continuously promote activities to become a company originating from Japan recognized for contributing to lifestyles and culture. In this way, we seek to earn the trust of customers throughout the world as well as meet their expectations of being a sustainable company.

TOP > [GRI Content Index]

G3 GRI Content Index

The 2006 edition of the Global Reporting Initiative Sustainability Reporting Guidelines was used as a reference resource in the compilation of Shiseido CSR 2010.

When this information is included in media other than the Shiseido CSR 2010, the names of those media are included.

The balance sheet includes information about United Nations Global Compact principles.

G3 Disclosure		Description	Contents	Remarks Column
1 Strategy and Analysis				
1.1		Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	Commitment by Management	
1.2		Description of key impacts, risks, and opportunities.	The CSR Activities Domain and Associated Structures and Annual securities report (Japanese only) and Corporate Profile	
2 Organizational Profile				
2.1		Name of the organization.	Corporate Profile	
2.2		Primary brands, products, and/or services.	Corporate Profile	
2.3		Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Corporate Profile	
2.4		Location of organization's headquarters.	Corporate Profile	
2.5		Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Corporate Profile	
2.6		Nature of ownership and legal form.	Corporate Profile	
2.7		Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Corporate Profile	
2.8		Scale of the reporting organization, including: - Number of employees; - Net sales (for private sector organizations) or net revenues (for public sector organizations); - Total capitalization broken down in terms of debt and equity (for private sector organizations); and - Quantity of products or services provided.	Corporate Profile and Annual securities report (Japanese only)	
2.9		Significant changes during the reporting period regarding size, structure, or ownership including: - The location of, or changes in operations, including facility openings, closings, and expansions; and - Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	Corporate Profile and Annual securities report (Japanese only)	

G3 Disclosure		Description	Contents	Remarks Column
2.10		Awards received in the reporting period.	Corporate Profile and Social Contributions and Environmental Activities over the Years	
3 Report Parameters				
Report Profile				
3.1		Reporting period (e.g., fiscal/calendar year) for information provided.	Editorial Policy	
3.2		Date of most recent previous report (if any).	June 2009	
3.3		Reporting cycle (annual, biennial, etc.)	Editorial Policy	
3.4		Contact point for questions regarding the report or its contents.	Inquiries about Shiseido's CSR activities and Questionnaire	
Report Scope and Boundary				
3.5		Process for defining report content, including: - Determining materiality; - Prioritizing topics within the report; and - Identifying stakeholders the organization expects to use the report.	The CSR Activities Domain and Associated Structures Initiatives with Stakeholders	
3.6		Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Editorial Policy	
3.7		State any specific limitations on the scope or boundary of the report.	Editorial Policy	
3.8		Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Annual securities report (Japanese only)	
3.9		Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Environmental Data and Personnel Data	
3.10		Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	Annual securities report (Japanese only)	
3.11		Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Annual securities report (Japanese only)	
GRI content index				
3.12		Table identifying the location of the Standard Disclosures in the report.	GRI Guidelines Index	
Assurance				
3.13		Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	Third Party Evaluation 2010	

G3 Disclosure		Description	Contents	Remarks Column
4 Governance, Commitments, and Engagement				
Governance				
4.1		Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Corporate Governance	
4.2		Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Corporate Governance	
4.3		For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Corporate Governance	
4.4		Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Shiseido's corporate ethics and Compliance with Japan's Whistleblower Protection Act and Corporate Ethics Help Line and Toward Building Favorable Labor-Management Relations	
4.5		Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Corporate Governance	
4.6		Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance	
4.7		Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Corporate Governance	
4.8		Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Shiseido's CSR Philosophy and Corporate Mission and THE SHISEIDO WAY and THE SHISEIDO CODE	
4.9		Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	The CSR Activities Domain and Associated Structures and Initiatives Related to the United Nations Global Compact Commitment to Society	
4.10		Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Corporate Governance	

G3 Disclosure		Description	Contents	Remarks Column
Commitments to External Initiatives				
4.11		Explanation of whether and how the precautionary approach or principle is addressed by the organization.	The CSR Activities Domain and Associated Structures	
4.12		Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	The CSR Activities Domain and Associated Structures	
4.13		Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: - Has positions in governance bodies; - Participates in projects or committees; - Provides substantive funding beyond routine membership dues; or - Views membership as strategic.	Shiseido's corporate ethics and Initiatives Related to the United Nations Global Compact Commitment to Society	
Stakeholder Engagement				
4.14		List of stakeholder groups engaged by the organization.	Initiatives with Stakeholders and Activities taking advantage of Shiseido's core business and With Our Customers and With Our Business Partners and With Our Shareholders and With Our Employees and With Our Society and Stakeholder Dialog and Third Party Evaluation 2010	
4.15		Basis for identification and selection of stakeholders with whom to engage.	Shiseido's CSR Philosophy and THE SHISEIDO WAY	
4.16		Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Initiatives with Stakeholders and Activities taking advantage of Shiseido's core business and With Our Customers and With Our Business Partners and With Our Shareholders and With Our Employees and With Our Society and Stakeholder Dialog and Third Party Evaluation 2010 and Inquiries about Shiseido's CSR activities and Questionnaire	
4.17		Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Stakeholder Dialog	

G3 Disclosure		Description	Contents	Remarks Column
5 Management Approach and Performance Indicators				
Economic				
		Disclosure on Management Approach	Annual securities report (Japanese only)	
aspect: Economic Performance				
EC1	CORE	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Annual securities report (Japanese only)	
EC2	CORE	Financial implications and other risks and opportunities for the organization's activities due to climate change.		
EC3	CORE	Coverage of the organization's defined benefit plan obligations.		
EC4	CORE	Significant financial assistance received from government.		
aspect: Market Presence				
EC5	ADD	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.		
EC6	CORE	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	With Our Business Partners	
EC7	CORE	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Personnel Data	
aspect: Indirect Economic Impacts				
EC8	CORE	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Activities taking advantage of Shiseido's core business and With Our Society	
EC9	ADD	Understanding and describing significant indirect economic impacts, including the extent of impacts.		
Environmental				
		Disclosure on Management Approach	For Our Environment	Principle 7.8.9
aspect: Materials				
EN1	CORE	Materials used by weight or volume.	Reducing Environmental Impacts and Environmental Data	Principle 8.9
EN2	CORE	Percentage of materials used that are recycled input materials.	Reducing Environmental Impacts and Environmental Data	
aspect: Energy				
EN3	CORE	Direct energy consumption by primary energy source.	Reducing Environmental Impacts and Environmental Data	
EN4	CORE	Indirect energy consumption by primary source.		
EN5	ADD	Energy saved due to conservation and efficiency improvements.		Principle 8.9
EN6	ADD	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.		

G3 Disclosure		Description	Contents	Remarks Column
EN7	ADD	Initiatives to reduce indirect energy consumption and reductions achieved.		
aspect: Water				
EN8	CORE	Total water withdrawal by source.	Reducing Environmental Impacts and Environmental Data	
EN9	ADD	Water sources significantly affected by withdrawal of water.		
EN10	ADD	Percentage and total volume of water recycled and reused.		
aspect: Biodiversity				
EN11	CORE	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		
EN12	CORE	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		
EN13	ADD	Habitats protected or restored.		
EN14	ADD	Strategies, current actions, and future plans for managing impacts on biodiversity.	Meanings of environmental activities add Shiseido Group Supplier Code of Conduct	
EN15	ADD	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		
aspect: Emissions, Effluents, and Waste				
EN16	CORE	Total direct and indirect greenhouse gas emissions by weight.	Reducing Environmental Impacts and Environmental Data	
EN17	CORE	Other relevant indirect greenhouse gas emissions by weight.		
EN18	ADD	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Reducing Environmental Impacts and Environmental Data	
EN19	CORE	Emissions of ozone-depleting substances by weight.		
EN20	CORE	NO, SO, and other significant air emissions by type and weight.	Reducing Environmental Impacts and Environmental Data	
EN21	CORE	Total water discharge by quality and destination.	Reducing Environmental Impacts and Environmental Data	
EN22	CORE	Total weight of waste by type and disposal method.	Reducing Environmental Impacts and Environmental Data	
EN23	CORE	Total number and volume of significant spills.		
EN24	ADD	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.		

G3 Disclosure		Description	Contents	Remarks Column
EN25	ADD	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.		
aspect: Products and Services				
EN26	CORE	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	For Our Environment and Reducing Environmental Impacts	Principle 8.9
EN27	CORE	Percentage of products sold and their packaging materials that are reclaimed by category.		
aspect: Compliance				
EN28	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.		
aspect: Transport				
EN29	ADD	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.		
aspect: Overall				
EN30	ADD	Total environmental protection expenditures and investments by type.	Environmental Data	Principle 8
Labor Practices and Decent Work				
		Disclosure on Management Approach	With Our Employees	
aspect: Employment				
LA1	CORE	Total workforce by employment type, employment contract, and region.	Personnel Data	
LA2	CORE	Total number and rate of employee turnover by age group, gender, and region.		
LA3	ADD	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		
aspect: Labor/Management Relations				
LA4	CORE	Percentage of employees covered by collective bargaining agreements.	Toward Building Favorable Labor-Management Relations	
LA5	CORE	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.		
aspect: Occupational Health and Safety				
LA6	ADD	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.		
LA7	CORE	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Personnel Data	
LA8	CORE	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Physical and emotional wellness	
LA9	CORE	Health and safety topics covered in formal agreements with trade unions.	Physical and emotional wellness	
aspect: Training and Education				
LA10	CORE	Average hours of training per year per employee by employee category.		
LA11	ADD	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Shiseido "Shared Education" Declaration	

G3 Disclosure		Description	Contents	Remarks Column
LA12	ADD	Percentage of employees receiving regular performance and career development reviews.		
aspect: Diversity and Equal Opportunity				
LA13	CORE	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Personnel Data	Principle 3.6
LA14	CORE	Ratio of basic salary of men to women by employee category.		
Human Rights				
		Disclosure on Management Approach	Shiseido's corporate ethics	Principle 1.2.4.5.6
aspect: Investment and Procurement Practices				
HR1	CORE	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.		
HR2	CORE	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.		
HR3	ADD	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Human Rights Awareness and Corporate Ethics Training	Principle 1
aspect: Non-Discrimination				
HR4	CORE	Total number of incidents of discrimination and actions taken.	NA	Principle 1.3
aspect: Freedom of Association and Collective Bargaining				
HR5	CORE	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	NA	Principle 1.3
aspect: Child Labor				
HR6	CORE	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	With Our Business Partners and Shiseido Group Supplier Code of Conduct and THE SHISEIDO CODE	Principle 1.5.6
aspect: Forced and Compulsory Labor				
HR7	CORE	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	With Our Business Partners and Shiseido Group Supplier Code of Conduct and THE SHISEIDO CODE	Principle 1.4
aspect: Security Practices				
HR8	ADD	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.		

G3 Disclosure		Description	Contents	Remarks Column
aspect: Indigenous Rights				
HR9	ADD	Total number of incidents of violations involving rights of indigenous people and actions taken.	NA	Principle 1
Society				
		Disclosure on Management Approach		
aspect: Community				
SO1	CORE	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.		
aspect: Corruption				
SO2	CORE	Percentage and total number of business units analyzed for risks related to corruption.		
SO3	CORE	Percentage of employees trained in organization's anti-corruption policies and procedures.	Shiseido's corporate ethics	Principle 10
SO4	CORE	Actions taken in response to incidents of corruption.		
aspect: Public Policy				
SO5	CORE	Public policy positions and participation in public policy development and lobbying.		
SO6	ADD	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		
aspect: Anti-Competitive Behavior				
SO7	ADD	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.		
aspect: Compliance				
SO8	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.		
Product Responsibility				
		Disclosure on Management Approach	With Our Customers	
aspect: Customer Health and Safety				
PR1	CORE	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	100% Customer-oriented Manufacturing	
PR2	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		
aspect: Product and Service Labeling				
PR3	CORE	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		
PR4	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		
PR5	ADD	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	With Our Customers and Customer Center(Japanese Only)	
aspect: Marketing Communications				
PR6	CORE	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		

G3 Disclosure		Description	Contents	Remarks Column
PR7	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		
aspect: Customer Privacy				
PR8	ADD	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		
aspect: Compliance				
PR9	CORE	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.		

N/A: Not applicable, or no significant instances.

Blank column: Information not disclosed.

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