

Culture

Using our heritage to create new value and enrich culture.



Shiseido's rich heritage is the source of our corporate culture. It explains our beginnings and our founder's vision of beauty; it celebrates what we have accomplished; and it defines our purpose as we move into the future. Since our foundation in 1872, we have developed a heritage of innovation, transformation, and the creation of social value. To grow our business and continue to create social value, our heritage serves as our inspiration and driving force. We must nurture it while strengthening the bonds created by our shared corporate culture. As a global beauty company, we consider it our mission to inspire the world with our vision of beauty born in Japan — using it to stimulate a diversity of values and create a new and rich culture worldwide.

1. Drawing on Our Heritage and Culture to Imagine a Better Future

Our heritage has been passed down from one generation to the next, helping us to nurture our corporate culture and inspire innovation. Our employees around the world learn about our heritage, founding spirit and corporate DNA through venues such as the Shiseido Corporate Museum, with its virtual tour, digital video content, and more. Our heritage also inspires our people, instilling a desire for constant personal transformation, strengthening individual resilience, and creating a leadership mindset. In this way, our heritage plays a key role in the training and development of our future global leaders — helping them to carry forward our high ethical standards and unique sense of beauty, as well as creating new social value and building a better world.

2. Inspiring the World With Our Sense of Beauty

Art and science are deeply ingrained in our DNA. From the very beginning, they have been present in every aspect of our business, working hand in hand to inspire beauty innovations, and create new and unique approaches to beauty. Shinzo Fukuhara, the first president of Shiseido, believed in the "richness in everything". He placed beauty sensibilities and emotional depth at the core of our company, and our business is based on this philosophy. We continue to nurture this philosophy. By collaborating with our network of artists and galleries, we develop programs designed to educate and inspire our employees. By stimulating their sense of beauty and appreciation of aesthetics, we aim to inspire and enrich society.

Performance in 2020

Using Digital Technology to Share Our Heritage with Employees

Discover Shiseido -Inside our DNA

Our workplaces around the world are home to a diverse range of people. In 2020, in order to deepen our employees' understanding of our DNA, we published *Discover Shiseido — Inside our DNA* (available in Japanese, English, Chinese and French). The publication focuses on Shiseido's heritage from the viewpoint of innovation, presenting our origins, philosophy, history, culture, and more, in a compact pocketbook.

The aim of this publication is to enable every employee to communicate Shiseido's uniqueness to our customers, partner companies, and society as a whole. As employees, we might come from different countries and have diverse backgrounds, but we all carry the same pocketbook. This creates a sense of unity among the Shiseido family, and serves as a source of knowledge and inspiration for every one of us.

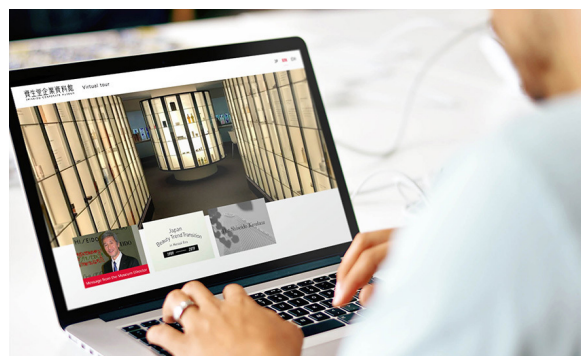


Discover Shiseido — Inside our DNA

Shiseido Corporate Museum Virtual Tour

2022 will mark Shiseido's 150th anniversary. To celebrate such a landmark, and promote our heritage – and future – of beauty innovations, we are using digital technology to share our story with employees worldwide.

Content created in 2020 has allowed employees around the world to take a virtual tour of the Shiseido Corporate Museum, located in Kakegawa (Japan). The content is available on our intranet in three languages (Japanese, English, and Chinese). By 31 December 2020, more than 4,000 people had taken the virtual tour, and the platform had been accessed over 20,000 times.



Corporate Museum Virtual Tour

Our aim with such initiatives is to accelerate the future success of Shiseido by inspiring employees with our rich heritage and history of innovations.

What Heritage Tells Us

Through times of adversity and turbulence, the passion and dedication of Shiseido employees worldwide have enabled us to overcome significant challenges. Throughout our history, innovation has paved the way for a future of beauty. That remains true to this day, and our heritage continues to spark the creativity needed to carry us forward. It is with this belief that we launched "What Heritage Tells Us" in April 2020 – a series of brief stories shared on our intranet. The stories revisit innovations and achievements throughout our 149-year history, highlighting the ways in which our founders and employees overcame adversity to ensure the future of Shiseido.



"What Heritage Tells Us," a series of brief stories, shared on our intranet

New content will be published on an ongoing basis in connection with notable events and important dates. During the course of this year, we have released 12 stories in English and Japanese. Our aim with "What Heritage Tells Us" is to motivate and inspire our employees around the world. During the first year of its launch, the series received more than 16,000 views, and this number continues to grow.

Shiseido Japan's Marketing Academy and Other Online Seminars

Our seminars are designed to help employees gain a deeper understanding of our corporate heritage.

In 2020, due to the COVID-19 pandemic, we moved these seminars online, and employees from various fields – including marketing and research and development (R&D) – actively participated. We held 10 seminars over the course of this year, with each session tailored to the individual needs of the departments involved.

We designed these interactive seminars to help our employees draw on the power of our heritage to create innovation. Around 1,400 employees attended. Looking ahead, we will create even more opportunities for employees to learn about Shiseido's heritage, providing motivation and insights they can use in their day-to-day work.

Elevating our Brand Through Art and Heritage

Hanatsubaki– Chinese Issue

We launched *Hanatsubaki* magazine in 1937. To communicate our heritage and aesthetic sense to a wider audience, we began publishing it in English in 2019 and Chinese in 2020.

The 2020 Summer/Autumn edition marked *Hanatsubaki's* entry into China, and we distributed 20,000 copies of the magazine in 15 cities nationwide. We held launch events across the country, and in November 2020, distributed 1,000 copies at the 3rd China International Import Expo in Shanghai. The response was fantastic. As a result of our Chinese Regional HQ's efforts on social media, the magazine's readership — as well as its profile — has increased.

By offering *Hanatsubaki* magazine in Chinese, we aim to share our unique sense of Japanese beauty and deep cultural insights with a new audience and a younger generation of readers. In doing so, we hope to stimulate interest in, and build preference for, Shiseido in China.



"Hanatsubaki" Chinese Issue



"GINZA and SHISEIDO" Feature

Shiseido Gallery

The Shiseido Gallery, which opened in 1919, is one of the oldest art galleries in Japan. Since its opening, the gallery has been renowned for its constant efforts to support young and forward-thinking artists, and for the way it explores and pushes the frontiers of contemporary art.

In 2020, the Shiseido Gallery held a number of exhibitions to encourage dialogue and interaction between Shiseido employees and guest artists. The aim of these exhibitions was to create new opportunities for Shiseido brands, employees and artists alike, by providing a platform for creativity, learning and knowledge sharing.



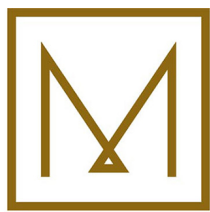
The 14th shiseido art egg, featuring artist Taishi Nishi's "Ghost Demo"

Receiving the Special Award at the Japan Mécénat Awards

At the Japan Mécénat Awards 2020, sponsored by the Association for Corporate Support of the Arts, Shiseido was presented with the Special Award granted by the Commissioner for Cultural Affairs. This award was given in recognition of our achievements in the planning and operation of the Shiseido Gallery.

We were highly praised for taking on the challenge of creating social value through art, and for continuously evolving while carrying on the spirit of our founder. The judges were also impressed by our policy of incorporating culture into management, raising shared awareness among employees, and tackling social issues.

Among the 165 eligible projects, one received a Grand Mécénat Award, five received Awards for Excellence, and one received a Special Award. The Shiseido Gallery also received the Grand Mécénat Award in 2007, and the Flower Art Award in 2014.



MECENAT
AWARDS
2020



Award acceptance lecture by Keiko Toyoda, Shiseido Gallery
Director