

# Realize Full Recovery with New Management Structure



**Masahiko Uotani**  
Chairman and CEO

**Kentaro Fujiwara**  
President and COO

March 24, 2023

**SHISEIDO**

# WIN 2023 Review

## Achievements

- Selection and Concentration leveraging our strengths
- Profitability improvement from Transformation
- DX acceleration and FOCUS implementation
- Establishment of cutting-edge factories and logistics network
- Establishment of a strong financial base

## Outstanding Points to be Tackled

Considerable delay in Japan Business growth recovery



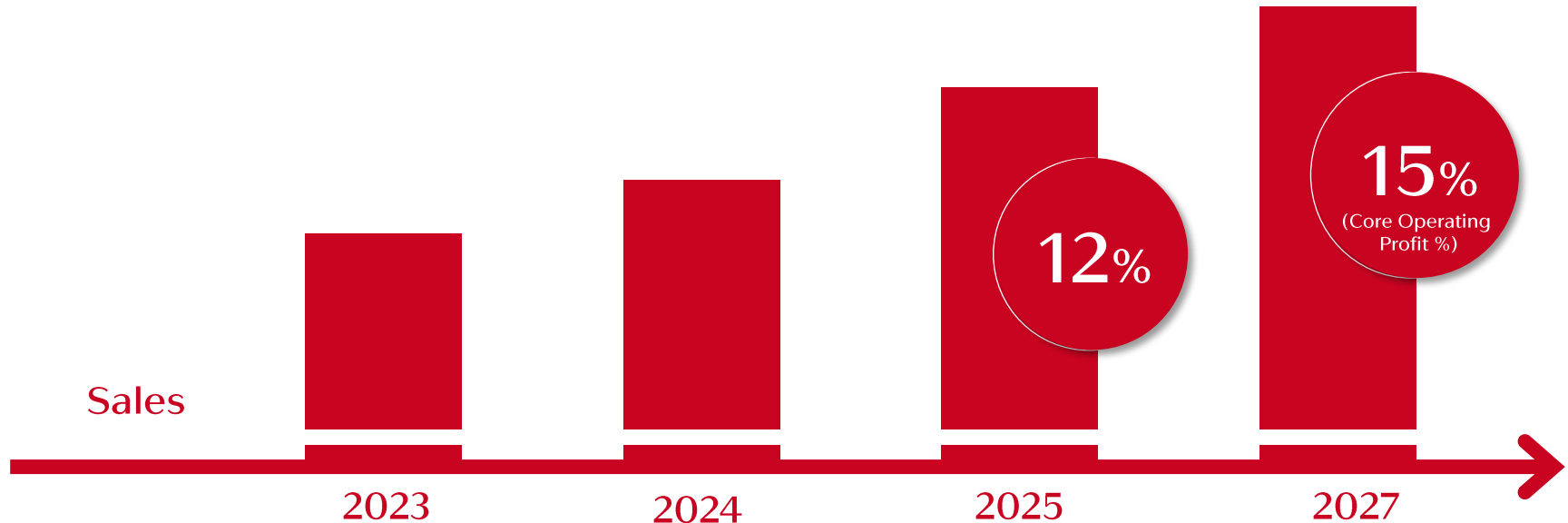
Build solid profit base through business growth recovery

Need to realize sound business structure

# SHIFT from Defense to Offense

## Retarget Core Operating Profit of 15%

"SHIFT 2025 and Beyond" Medium-Term Strategy



# For Further Global Growth Acceleration

**Achieve sustainable growth through strategic investments to realize a profitable business structure**

- Rebuild earnings base by bringing back growth in Japan
- Win in China (China Business, Travel Retail Asia)
- Build a foundation for growth in Americas as the next growth pillar
- Develop new markets for the future

# Japan Business: 3 Pillars for Growth

## Continuous Innovation



## Develop Loyal Consumer Base



## Strong Collaboration with Sales Front and Business Partners



# Japan: Three Initiatives to Improve Profitability

- Review costs and thoroughly examine room for cost optimization
- Maximize effectiveness and efficiency
- Improve operational workflow by leveraging digital

# Japan: Work as One Team with the Field to Ensure Strategy Implementation



# China: For Mid-to-Long-Term Growth

- End of “zero-COVID” policy: the government now focuses on the recovery and expansion of consumption
- Expansion of cosmetics market mainly in middle-income class with high interest in cosmetics
- Sophistication and diversification of consumer values, focus on effects and efficacy



# Capture Changes in China and Increase Market Share

Marketing reforms for mid-to-long-term brand equity building



DX enhancement, response to the diversification of online platforms

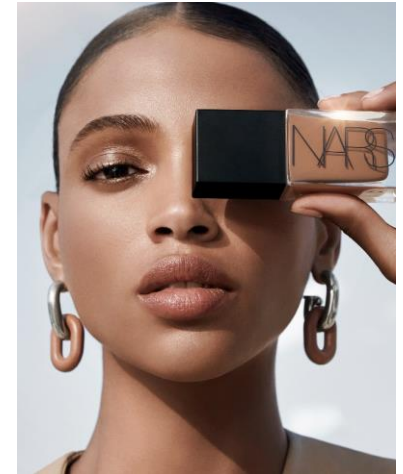


Development of new values and new domains for future growth



# Full-fledged Market Entry into India

## NARS Launch in India (FY23 2H)



# Strategic Investment in Three Focus Areas to Ensure Mid-to-Long-Term Growth



# Continue to Strengthen Brands Centered on Skin Beauty

## Global Brands



## Asian Brands



## Fragrance Brands



## Strategic New Brands



## Men's Brands





# BEAUTY INNOVATIONS FOR A BETTER WORLD





# EGAO

- Bright Smiles-

# To Be the Most Trusted Beauty Company



CO<sub>2</sub> Reduction (vs. 2019)  
-46.2% / -55%  
by 2030



Sustainable Packaging  
100%  
by 2025



Water Consumption  
-40%  
by 2026  
(vs. 2014)

New circulation model of plastic packaging  
In collaboration with POLA ORBIS HOLDINGS



\* CO<sub>2</sub> emissions reduction -46.2% our sites (Scope1+2), -55% Entire value chain excluding our sites (Scope3)

# Contribute to Society by Realizing D&I





# Further Strengthen Innovation and R&D



# R&D Structure Extended around the World

France



China



United States



Singapore



Global Innovation Center



# Bring the Japanese uncompromising craftsmanship to the World



**Nasu Factory**  
(Start of operations: Dec. 2019)



**Osaka Ibaraki Factory,  
West Japan Distribution Center**  
(Dec. 2020)



**Fukuoka Kurume Factory**  
(May 2022)

# PEOPLE (Employees) FIRST Management Philosophy



# Global Management Structure by Diverse People



# For the Next 150 Years of Growth, for Employees to Achieve Self-Growth and a Fulfilling Life



## Shiseido Future University Open in Autumn 2023



SHISEIDO