



2019 First Half Results (January-June) and Full-Year Forecast

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Shiseido Company, Limited

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SHISEIDO

In this document, statements other than historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause actual results and achievements to differ from those anticipated in these statements.

Key Headlines:

Q2: Positive momentum accelerated

- Prestige/Cosmetics/Personal Care
- China/Travel Retail
- Record high Q2:
Sales, Operating profit and Net profit
- Operating profit up 25% YoY

1H: Record high 1H: Sales and Net profit

- On track to achieve full-year forecast

2019 Q2: Executive Summary

Accelerated momentum vs Q1

10th consecutive quarter of growth*1

Operating Profit +25.4%, Operating Margin 10.3%

Net Profit growth of +0.8%

Net Sales: ¥291.0 Bn YoY change: +8.3% FX-Neutral: +9.9% Like-for-Like*2: +9.0%

- Prestige brands: main driver of global growth (+14%*2,3)
- China: prestige sell-out continuing momentum (over 40%*4)
- Travel Retail/EMEA: outperforming plan
- Japan: overcoming high hurdle despite lower buyer sales

Operating profit: ¥30.0 Bn OPM: 10.3% YoY change: +¥6.1 Bn, +25.4%

- Improving profitability from brand mix and marketing ROI

Net profit attributable to owners of parent:

¥18.9 Bn YoY change: +¥0.1 Bn, +0.8%

*1. After we changed financial period from end of March to end of December in 2015

*2. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business in Japan 2018 and advance sell-in related to the implementation of new ERP in Americas 2019

*3. Like-for-Like, adjusting for Hong Kong commission payment accounting change (2018 Q2)

*4. Mainland China

Sales Momentum Accelerated across Most Regions

Like-for-Like*1 2019 Net Sales growth by quarter

	Q1	Q2	1H
Japan*1	+0.4%	+3%	+2%
China	+19%	+22%	+21%
Asia Pacific	+14%	+10%	+12%
Americas*1	-1%	+4%	+2%
EMEA	+6%	+12%	+9%
Travel Retail	+9%	+25%	+17%
Total *1	+6%	+9%	+7%

*1. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business in Japan 2018 and advance sell-in related to the implementation of new ERP in Americas 2019.

Prestige, Cosmetics & Personal Care Accelerated Sales Momentum

Like-for-Like*1 2019 Net Sales growth by quarter

	Q1	Q2	1H
Prestige*1	+8%	+14%	+11%
Fragrance	+11%	+3%	+7%
Cosmetics	+1%	+6%	+4%
Personal Care	-4%	+14%	+5%
Professional	+5%	-2%	+1%
Total*1	+6%	+9%	+7%

*1. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business in Japan 2018 and advance sell-in related to the implementation of new ERP in Americas 2019.

China: Maintaining Momentum of Our Prestige Brands

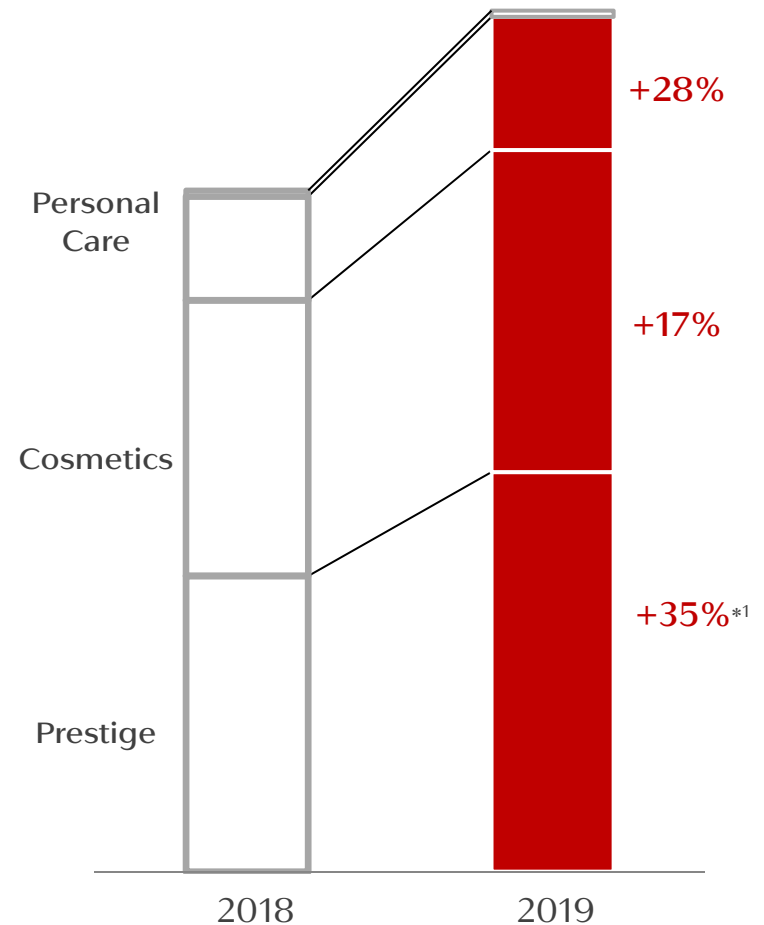
- Q2 Market: remained robust and poised for continued growth

- Cosmetics market: recovering, achieving over 20% growth in June
- E-commerce channel: average sales price per unit increased due to “618” e-commerce promotion

- Shiseido (Q2 sell-out in mainland China):

- Prestige: **share up, continuing growth of over 40%**
 - *SHISEIDO*: over 40% growth
 - *Clé de Peau Beauté*: approx. 50% growth
 - NARS: tripled growth
- Cosmetics: solid growth
 - *ELIXIR, ANESSA*
 - *AUPRES*: improved momentum vs Q1
- Personal Care: over 20% growth
- E-commerce sales: over 40% growth
- Hong Kong: less traffic

■ Q2 sell-in by category



- Shiseido (Q2 sell-in): +22.3%

*1. Like-for-Like, adjusting for Hong Kong commission payment accounting change (2018 Q2)

Japan: Overcoming High 2018 Hurdle with Strong Inbound Sales

- Q2 Overall Japanese cosmetics market:

+1~2% YoY change

- Shiseido (Q2 sell-out): +1%

- Inbound sales: **+6%**

- Tourists: **+high-teen%**
- Buyers: -20%

- Shiseido (Q2 sell-in): +3%*1

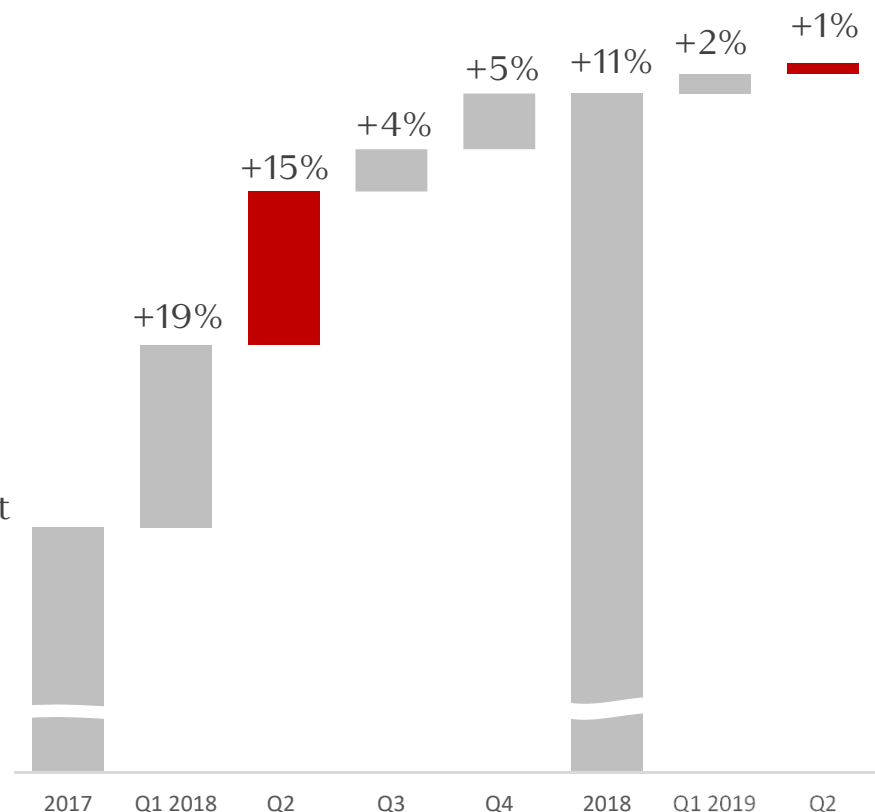
- Growth drivers:

- *SHISEIDO*: Ultimune
- Renewal of *ELIXIR White*
- *HAKU, d Program*: Care hybrid foundation project

- Challenges:

- *REVITAL*: supply issues, signs of recovery
- *ANESSA/SENKA*: lower buyers/
unfavorable weather

■ Quarterly sell-out growth



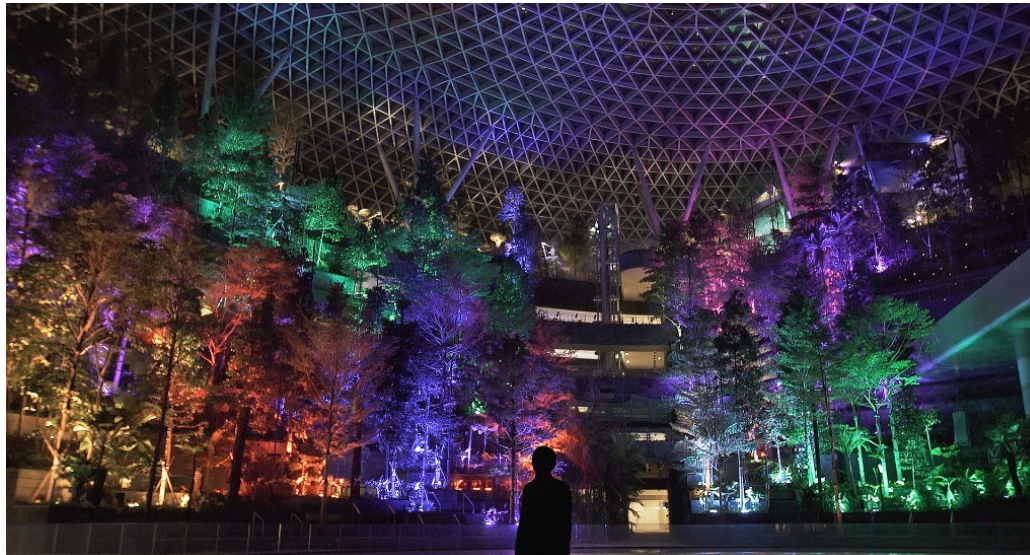
*1. Like-for-Like, excluding the impact of withdrawal from the amenity goods business in Japan 2018

Travel Retail: Continued Strong Sell-Out, Growing over 20%

● Shiseido (Q2 sell-out in Asia): **approx. +30%**

- Prestige: **solid momentum**
 - *SHISEIDO*: over 35% growth
 - *NARS*: over 35% growth
 - *IPSA*: expanding sales, 2nd year launch
 - *Clé de Peau Beauté*: readying for Q3 renewal
- Top-performing Countries:
 - China: No.1 growth market achieving over 45% growth
 - S. Korea: *NARS* and *ELIXIR* opening new doors
 - Singapore: Changi airport over 25% growth
SHISEIDO FOREST VALLEY
- Cosmetics: **solid momentum**
 - *ANESSA*: approx. 30% growth
- Challenges:
 - Supply issues
 - Softening fragrance market/buyers

● Shiseido (Q2 sell-in): **+24.5%**



SHISEIDO FOREST VALLEY
in Jewel Changi Airport

Asia Pacific: All Countries, Areas and Categories Grew

- Shiseido (Q2 sell-out): **gaining market share in all key markets**
 - Winning in markets:
Clé de Peau Beauté, NARS
- Shiseido (Q2 sell-in): **+10.3%**
 - Growth across all of the region, especially ASEAN
 - Increase across all categories and almost all brands
 - *LAURA MERCIER*: strong double-digit



EMEA: Double-Digit Growth Driven by Fragrance and Makeup

- Q2 Markets: up in Italy & Spain
down in UK & France
- Shiseido (Q2 sell-out):
solid performance
 - Fragrance:
 - *Dolce&Gabbana*
 - *narciso rodriguez*
 - Makeup:
 - *NARS*
 - *SHISEIDO* makeup
- Shiseido (Q2 sell-in): **+12.0%**



Americas: Recovering Momentum with Continuing Headwinds in Makeup Market

- Q2 US Market: down in makeup
up in skincare & fragrance
- Shiseido (Q2 sell-out)
 - Solid performance
 - *Dolce&Gabbana*
 - *Clé de Peau Beauté*
 - *bareMinerals*: showing signs of traction
 - Focused specialty stores showing growth
 - Continuing restructuring, boutique closures
 - Growing in EMEA/
Launched in “TMALL GLOBAL” on 28th July in China
- Shiseido (Q2 sell-in): **+17.3%**
 - Excl. advance sell-in related to implementation of ERP : **+4%**



2019 1H: Executive Summary

Like-for-Like Net Sales growth +7.3%,
Operating Profit -3.0% Operating Margin 12.2%, in line with full-year plan
Net Profit growth of +10.0%

Net Sales: ¥564.6 Bn YoY change: +6.0% FX-Neutral: +7.5% Like-for-Like*1: +7.3%

- Prestige brands: main driver of global growth (+11%*1)
- China: prestige sell-out maintaining strong momentum (over 40%*2)
- Japan: overcoming high 2018 hurdle with strong inbound sales

Operating Profit: ¥69.0 Bn OPM: 12.2% YoY change: -¥2.1 Bn, -3.0%

- Continued strong investments (Marketing, R&D and People)
- On track with full-year plan

Net profit attributable to owners of parent:

¥52.5 Bn YoY change: +¥4.8 Bn, +10.0%

*1. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business in Japan 2018 and advance sell-in related to the implementation of new ERP in Americas 2019

*2. Mainland China

Summary of 2019 1H Results

(Billion yen)	2019		2018		YoY Change	YoY Change %	YoY Change FX- Neutral %	Like-for-Like FX- Neutral % ^{*3}
		% of Net Sales		% of Net Sales				
Net Sales	564.6	100%	532.6	100%	+32.1	+6.0%	+7.5%	+7.3%
Cost of Sales	115.6	20.5%	109.1	20.5%	+6.5	+6.0%		
Gross Profit	449.0	79.5%	423.5	79.5%	+25.5	+6.0%		
SG&A	380.1	67.3%	352.4	66.1%	+27.7	+7.8%		
Operating Profit	69.0	12.2%	71.1	13.4%	-2.1	-3.0%		
Ordinary Profit	68.0	12.0%	72.8	13.7%	-4.8	-6.7%		
Extraordinary Income/Loss (net)	-1.3	-0.2%	1.6	0.3%	-2.8	—		
Net Profit Attributable to Owners of Parent	52.5	9.3%	47.7	8.9%	+4.8	+10.0%		
EBITDA ^{*2}	96.0	17.0%	96.6	18.1%	-0.6	-0.6%		

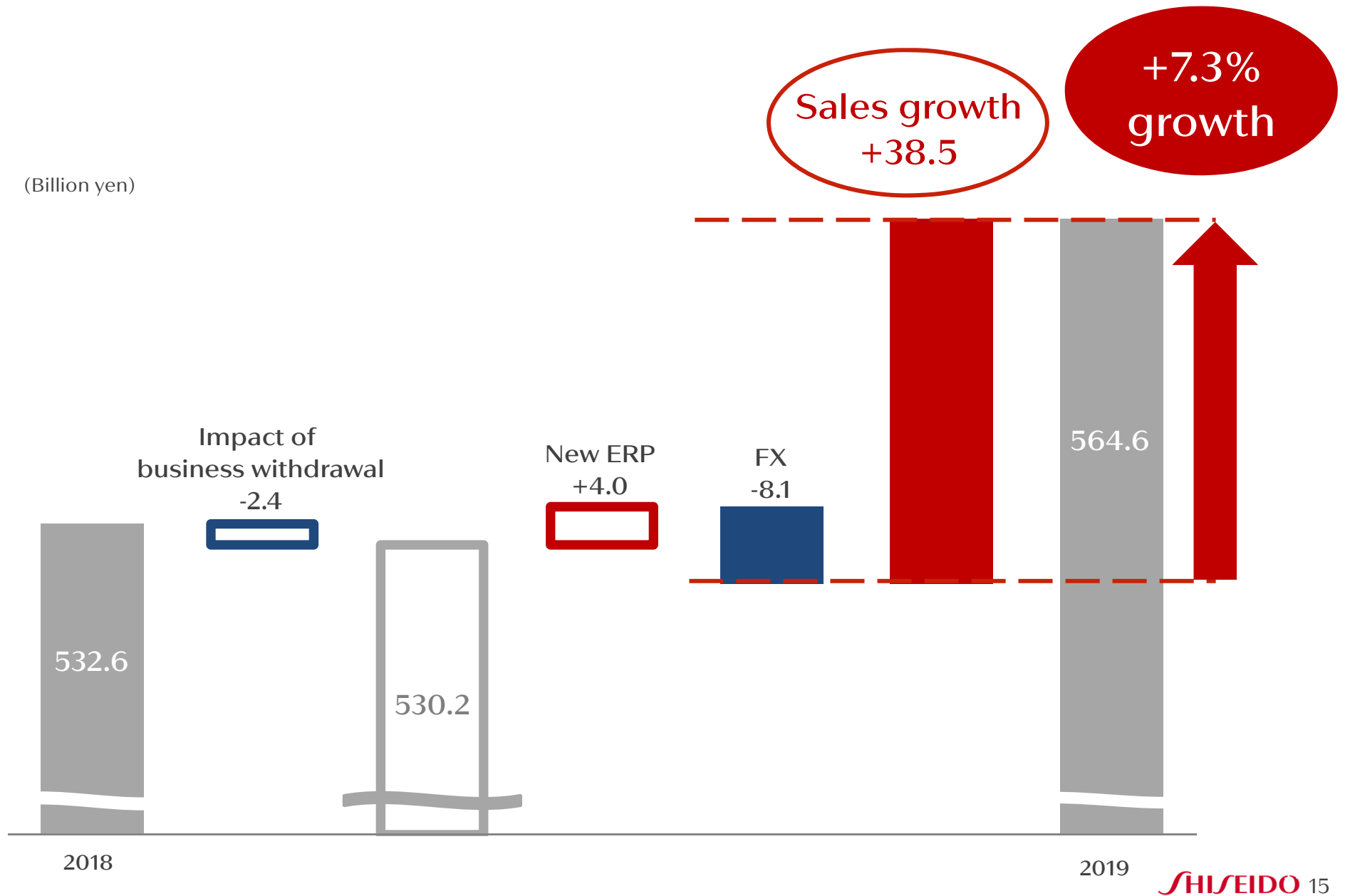
Exchange rates: USD1 = JPY110.1 (+1.3%), EUR1 = JPY124.3 (-5.6%), CNY1 = JPY16.2 (-5.2%)

*1. The "+" and "-" symbols in YoY change indicate increase and decrease in amount, respectively.

*2. After adjustment: Net income (loss) before income taxes + Interest expense + Depreciation and amortization expense + Impairment loss on goodwill and other intangible assets

*3. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business in Japan 2018 and advance sell-in related to the implementation of new ERP in Americas 2019

Like-for-Like 1H Net Sales Growth

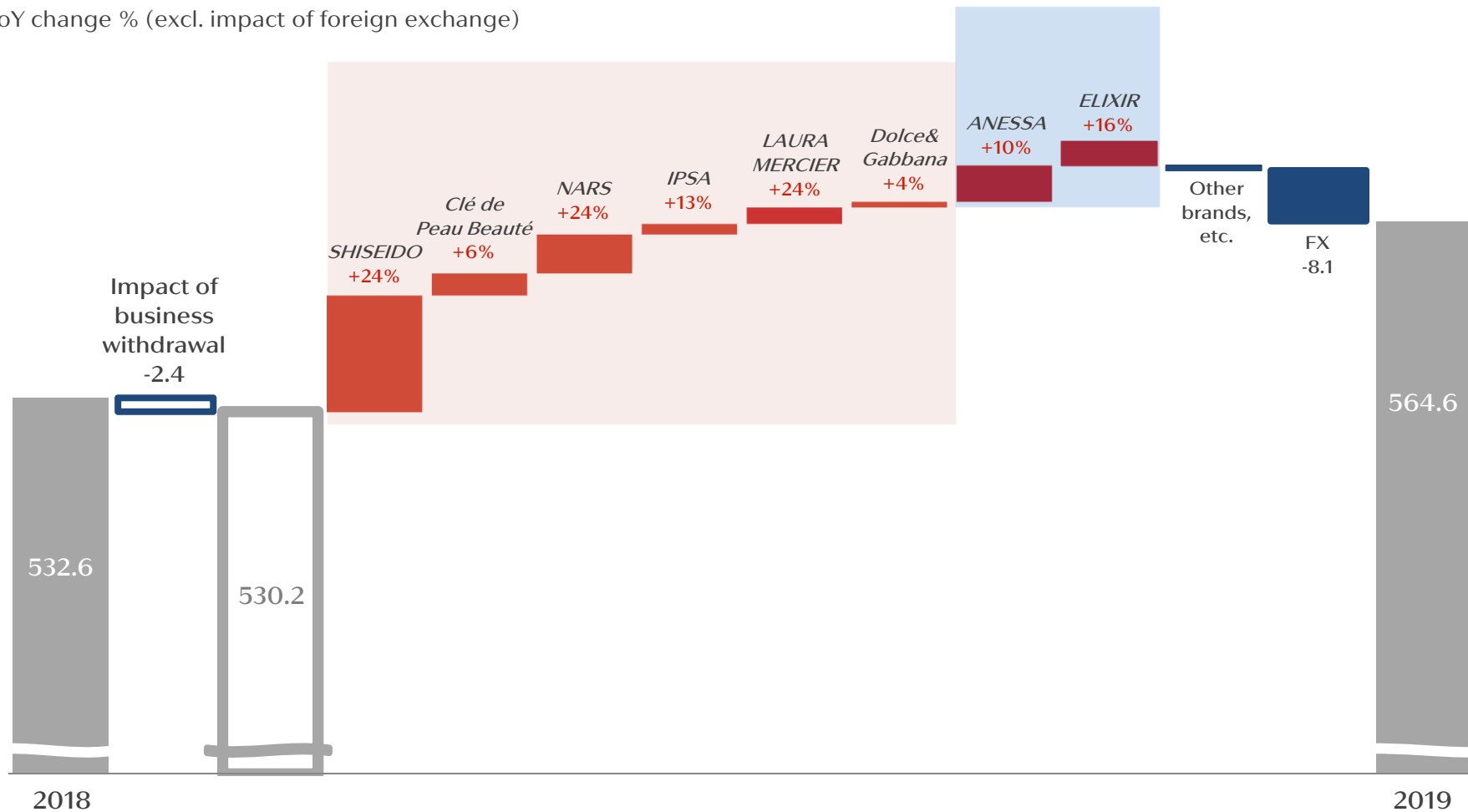


Robust Growth Driven by Prestige and Cosmetics Brands

■ 1H Net Sales by brand

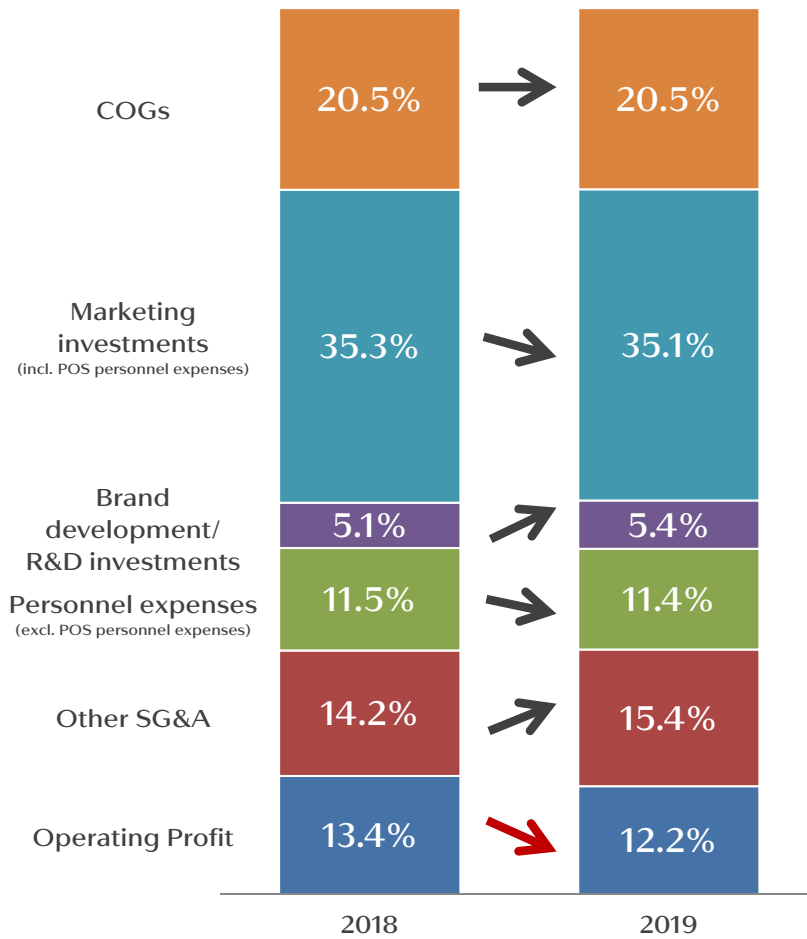
(Billion yen)

YoY change % (excl. impact of foreign exchange)



*1. YoY change (%) for each brand is calculated based on initial exchange rate assumptions.

Cost Structure - 2019 1H



- Brand growth and top line expansion

- COGs (-)

- Favorable prestige product mix
- Increased outsourcing

- Marketing investments (-0.2 pt)

- Improvement in ROI, shift to digital
- Decreased POS personnel in US

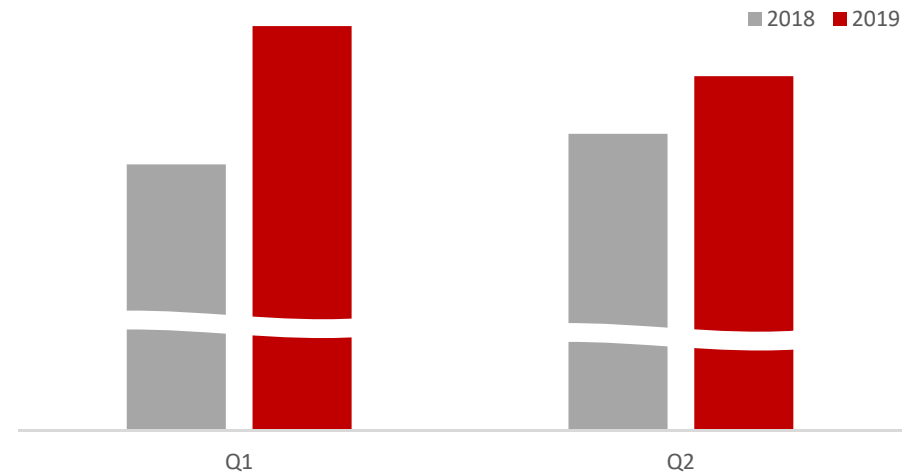
- Other SG&A (+1.2 pt)

- New offices
- Freight mix

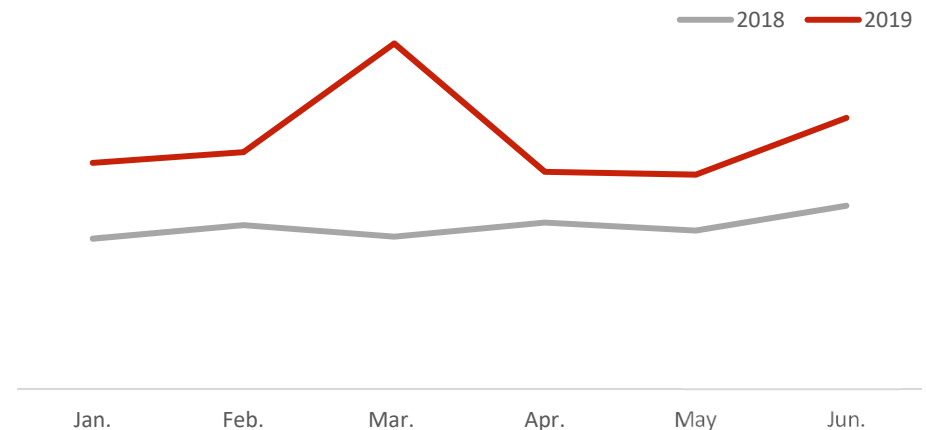
Improving Out-of-Stock Issues

- **Increase in production capacity**
 - Overall: +over 10% in 1H (Volume base)
 - Opportunity loss: improving 35% vs 2018 1H
 - Challenges: out of stock in key SKUs
- **SKU Rationalization**
 - Cut 1,147 SKUs in 1H (incremental: 3,835/4,500)
 - Prioritizing production
 - Improving in production per SKU: production efficiency

■ Production volume (Volume base)



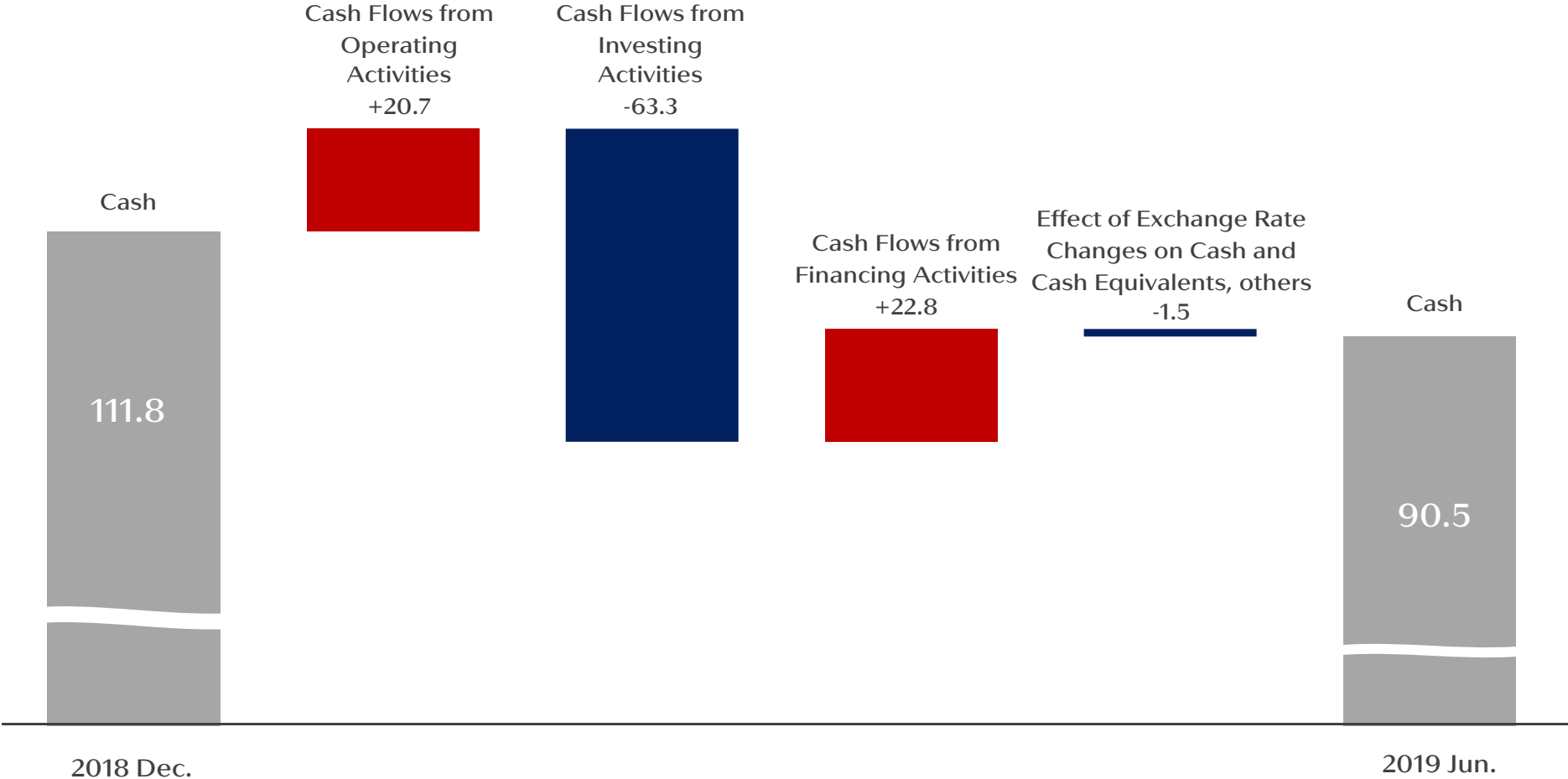
■ Production volume per SKU



Cash Management

■ 1H Cash flows

(Billion yen)



What Drove Our Momentum in 2019 1H?

Investments

Marketing/R&D/People

Growth Drivers

- Prestige
- Chinese
- Travel Retail
- Portfolio diversity
- E-commerce

Momentum

Accelerated

Like-for-Like Sales growth*1

Q1:+6%

Q2:+9%

*1. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business in Japan 2018 and advance sell-in related to the implementation of new ERP in Americas 2019.

2019 Latest Full-Year Forecast

(Billion yen)	2019		2018	YoY Change %	YoY Change FX-Neutral %	Like-for-Like FX-Neutral % ^{*1}	Initial Plan		
		% of Net Sales					% of Net Sale	Change from Initial Plan	
Net Sales	1,164.0	100%	1,094.8	+6.3%	+8.2%	+9.6%	1,172.0	100%	-8.0
Operating Profit	120.0	10.3%	108.4	+10.8%			120.0	10.2%	—
Ordinary Profit	116.0	9.9%	109.5	+5.9%			120.0	10.2%	-4.0
Extraordinary Income/Loss (net)	0.0	0.0%	-5.2	—			-2.5	-0.2%	+2.5
Net Profit Attributable to Owners of Parent	83.0	7.1%	61.4	+35.2%			75.5	6.4%	+7.5
Dividends (yen per share) (forecast) ^{*2}	60		45				60		—

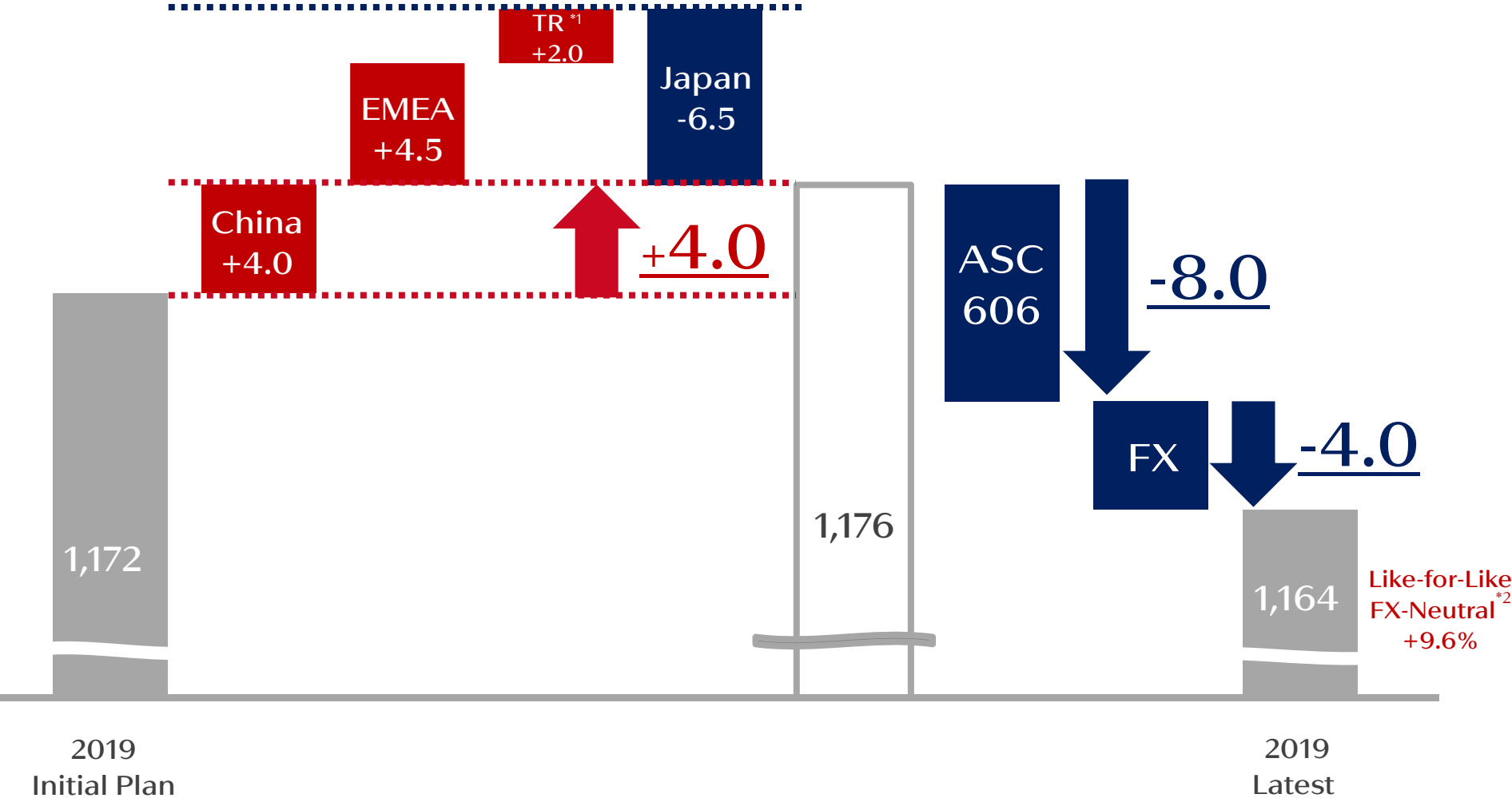
Exchange rates 2019 average: USD1 = JPY108.5 (-1.8%), EUR1 = JPY122.8 (-5.9%), CNY1 = JPY15.8 (-5.3%)

*1. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business, etc. in Japan 2018 and the impacts of applying U.S. GAAP (ASC 606)

*2. Dividends: interim dividend ¥30, year-end dividend ¥30 (forecast)

2019 Latest Full-Year Net Sales Forecast

(Billion yen)



*1. Travel Retail

*2. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business, etc. in Japan 2018 and the impacts of applying U.S. GAAP (ASC 606)

Continuing Growth Momentum Against Market Uncertainties

August 8, 2019

Masahiko Uotani

Representative Director, President and CEO
Shiseido Company, Limited



SHISEIDO

FY2019 Outlook: Continuing Growth Momentum

Net Sales +¥4.0 Bn Organic Upward Revision, Like-for-Like +9.6%*

Net Profit +¥7.5 Bn Upward Revision

- Net sales ¥1,164.0 Bn, -¥8.0 Bn vs. initial plan
 - Organic upward revision +¥4.0 Bn, Like-for-Like +9.6%
 - Impact from application of U.S. GAAP (ASC 606) -¥8.0 Bn
 - FX impact -¥4.0 Bn
- Operating profit ¥120.0 Bn, on plan, YoY +10.8%
Operating margin 10.3%, +0.1 pt vs initial plan
- Net profit +¥7.5 Bn, YoY +35.2%
 - Tax consequences of U.S. capital redemption
- Dividend full-year ¥60, on plan, increase of ¥15 from 2018

* Like-for-Like, excluding the impacts of withdrawal from the amenity goods business, etc. in Japan 2018 and the impact of applying ASC 606

Key Issues for 2H 2019

- Continued brand nurturing
- Japan: inbound buyers slowdown
- Japan: measures for consumption tax hike
- China: maintain momentum
- Initiatives for out of stock
- Improve profitability in Americas and EMEA
- ESG initiatives

+

Market uncertainties/Exchange rate fluctuations



**Cautious management
closely monitoring market trends**

Strengthen business monitoring/
Strict cost control (add & subtract)

Continue to Strengthen Prestige Brands

- *Clé de Peau Beauté*

- Skincare renewal (August)
- Roll-out in London (September)
- 2H: +20% growth

- *SHISEIDO*

- Skincare: *ULTIMUNE*
- New foundation (September)
- 2H: +20% growth

- *Dolce&Gabbana*

- Fragrance: new launch for men's *K by Dolce&Gabbana* (September)
- Makeup: full-scale renewal
- 2H: double-digit growth



Strengthen Prestige Brands in Asia

- Expansion of store openings in Southeast Asia

*Clé de Peau Beauté,
IPSA, NARS, LAURA MERCIER*

- Accelerating boutique development
- Start of e-commerce

- **NARS**
China: expand to 20 stores
(End of 2019)

IPSA



NARS



LAURA MERCIER
PARIS | NEW YORK

New Brand License Agreement

TORY BURCH

- Brand overview
 - Ms. Tory Burch launched the luxury brand in New York (2004)
 - American lifestyle brand that embodies the personal style, global mindset and aesthetic of its founder
 - Global development: mainly North America, Asia and the Middle East
 - Advance women's empowerment and entrepreneurship with the Tory Burch Foundation
- License starts January 1st, 2020
 - Exclusive worldwide beauty license
 - Expand scale for fragrance
 - Improve profitability in Americas



Japan: Inbound Sales Maintain Growth in Mid-Single Digits

- Inbound sales
Full-year forecast:
single digit growth
 - Inbound tourists: up mid-teens
 - Inbound buyers: down high-teens
- Tourists from Asia
Trust in “Made-in-Japan” quality and
Shiseido’s brands
- Number of foreign tourists to Japan:
continue to increase in 2H 2019



↓

Cross-border marketing linked to
China, Japan, Travel Retail and Asia Pacific

Japan: Strengthen Marketing in Response to Consumption Tax Hike

● Pre-hike

- Launch of new products prior to last-minute demand
 - *Clé de Peau Beauté*: skincare renewal
 - *SHISEIDO ULTIMUNE*: eye serum
 - *SHISEIDO Makeup Big Bang 2nd*: foundation
 - *ELIXIR Advanced Aging Care*: lotion/emulsion
- Build a stable supply capability

● Post-hike

- Launch of new products to stimulate demand for potential consumers
- Large-scale promotion throughout Japan



China: Maintain Strong Prestige Sales

Selection and concentration in growth areas
Continue to strengthen marketing investment

- Prestige: +30% to 40% growth
 - *SHISEIDO, Clé de Peau Beauté, IPSA and NARS*
- Cosmetics: *ELIXIR* and *ANESSA* +30% to 40% growth



China: Reinforce Alliances

- **Alibaba Group**
 - Hangzhou Office: start the joint work with a dedicated team
 - Further utilization and analysis of big data
 - *AQUAIR*: launch of co-developed products (September)
 - W11: strengthen marketing
- **Watson Group**
 - *d Program*: launch of co-developed products
 - Further collaborative initiatives



China: Strengthen Brand Equity through Sports

SHISEIDO and *ANESSA*
support for sports

Leverage tax reduction

- Tennis:
“Shiseido WTA Finals Shenzhen”
(October 27th - November 3rd)
title sponsor
- Figure skating:
“Shiseido Cup of China ISU Grand
Prix of Figure Skating”
(November 8th - 10th)
title sponsor



The poster for the 2019 Shiseido WTA Finals Shenzhen tennis tournament features five tennis players in action against a dark background with glowing purple and blue light trails. The players are labeled with their names: Sloane Stephens, Angelique Kerber, Elina Svitolina, Simona Halep, and Petra Kvitová. The Shiseido logo and WTA Finals Shenzhen logo are at the top. Below the players, the event title '2019 资生堂·深圳WTA年终总决赛' is written in large characters, followed by the dates '10/27-11/3' and the venue '华润深圳湾体育中心'. The website 'WWW.WTAFINALS.COM' and '金地集团独家呈现' (Presented exclusively by金地集团) are also included. At the bottom, there are logos for the title sponsor (Shiseido), diamond sponsor (金地集团), and other sponsors (Kaisa, Porsche, etc.).

Raise Supply Capability: Steady Progress

- Japan: dealing with last-minute demand before consumption tax hike
- SKU rationalization: review additional 1,300 SKUs
- Nasu Factory: completion of construction (End of November)
- Osaka Ibaraki Factory: steady construction under way (End of 2020)



BEAUTY INNOVATIONS FOR A BETTER WORLD

● Women's Empowerment

Internal:

- Board of Directors, Auditors
Ratio of females 45%
- Ratio of female managers
Japan 32% (2020 Target 40%)
- "Women Leader
Development Program"

External:

- "30% Club Japan" member, chairman



- MSCI
Japan Empowering Women Index (WIN)
No.1 score



MSCI Japan Empowering
Women Index (WIN)

Achieve Long-Term Growth

Adapt to Environment Change

Market uncertainty
Changing market environment

- “Speed” to achieve 2019 target
- More closely monitor market changes
- Rapid PDCA cycle with weekly review

“VISION 2020” and beyond
Continuing sustainable
growth momentum

- Selection and concentration
 - Structure reform
 - SKU rationalization
- Priority investment
 - PEOPLE FIRST
 - Brand equity
 - Innovation
 - Supply chain
 - Global standard IT platform

SHISEIDO

Supplemental Data 1

Sales Growth Mainly Driven by China, Travel Retail and Asia Pacific

1H Sales by reportable segment

(Billion yen)	2019		2018		YoY Change	YoY Change %	YoY Change FX-Neutral %	Like-for-Like FX-Neutral %*2
		% of Net Sales		% of Net Sales				
Japan	231.9	41.1%	230.8	43.3%	+1.1	+0.5%	+0.5%	+1.5%
China	107.7	19.1%	92.9	17.4%	+14.8	+15.9%	+20.5%	+20.5%
Asia Pacific	36.3	6.4%	33.3	6.3%	+2.9	+8.8%	+12.0%	+12.0%
Americas	64.1	11.3%	58.8	11.0%	+5.2	+8.9%	+8.4%	+1.7%
EMEA	48.2	8.5%	46.9	8.8%	+1.4	+2.9%	+9.0%	+9.0%
Travel Retail	53.1	9.4%	45.3	8.5%	+7.8	+17.2%	+17.3%	+17.3%
Professional	7.2	1.3%	7.3	1.4%	-0.0	-0.5%	+1.3%	+1.3%
Other	16.3	2.9%	17.4	3.3%	-1.1	-6.5%	-6.5%	-6.5%
Total	564.6	100%	532.6	100%	+32.1	+6.0%	+7.5%	+7.3%

*1. See Supplemental Data 10 for details about changes in reportable segments. The previous year's results are restated to reflect the new reportable segments.

*2. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business in Japan 2018 and advance sell-in related to the implementation of new ERP in Americas 2019.

Supplemental Data 2

1H Sales in Japan and China by Category

Japan (Billion yen)	2019		2018		YoY Change	YoY Change %
		% of Net Sales		% of Net Sales		
Prestige/ Specialty Store	77.5	33.4%	77.1	33.4%	+0.5	+0.6%
Cosmetics	108.0	46.6%	105.4	45.7%	+2.6	+2.5%
Personal Care	27.9	12.0%	29.0	12.6%	-1.1	-4.0%
Others	18.4	8.0%	19.2	8.3%	-0.8	-4.1%
Japan Sales	231.9	100%	230.8	100%	+1.1	+0.5%

YoY change excluding the impact of withdrawal of amenity goods business in 2018 was +1.5%.

China (Billion yen)	2019		2018		YoY Change	YoY Change FX-Neutral %
		% of Net Sales		% of Net Sales		
Prestige	50.1	46.5%	38.2	41.1%	+11.9	+35.3%
Cosmetics	39.4	36.6%	39.0	41.9%	+0.4	+6.2%
Personal Care	17.0	15.8%	14.8	15.9%	+2.2	+20.2%
Others	1.2	1.1%	1.0	1.1%	+0.2	+22.7%
China Sales	107.7	100%	92.9	100%	+14.8	+20.5%

*1. Some financial results within the Japan Business have been reclassified in line with the management structure change in 2019.

*2. See Supplemental Data 10 for details about changes in reportable segments. The previous year's results are restated to reflect the new reportable segments.

Supplemental Data 3

OPM 12.2% with Investments (Marketing, R&D and People)

1H Operating profit by reportable segment

(Billion yen)	2019		2018		YoY Change	YoY Change %
		OPM %		OPM %		
Japan	48.3	19.1%	51.5	20.9%	-3.2	-6.2%
China	18.0	16.7%	15.6	16.8%	+2.4	+15.2%
Asia Pacific	3.2	8.4%	4.5	13.0%	-1.3	-29.1%
Americas	-5.3	-6.0%	-7.2	-9.5%	+2.0	—
Before Amortization of Goodwill, etc.	-2.6	-3.0%	-4.6	-6.1%	+2.0	—
EMEA	-5.0	-9.3%	-5.0	-9.5%	+0.0	—
Before Amortization of Goodwill, etc.	-4.1	-7.8%	-4.1	-7.8%	-0.0	—
Travel Retail	12.0	22.5%	11.1	24.5%	+0.9	+7.8%
Professional	0.2	3.0%	0.3	4.2%	-0.1	-28.3%
Other	-0.5	-0.6%	2.8	4.1%	-3.3	—
Subtotal	70.9	10.5%	73.6	11.8%	-2.7	-3.7%
Adjustments	-1.9	—	-2.5	—	+0.6	—
Total	69.0	12.2%	71.1	13.4%	-2.1	-3.0%

*1. OPM is calculated using net sales including intersegment sales.

*2. See Supplemental Data 10 for details about changes in reportable segments. The previous year's results are restated to reflect the new reportable segments.

Supplemental Data 4

1H SG&A Details

(Billion yen)	2019		YoY Change %	YoY Change	YoY Change FX-Neutral	
		% of Net Sales				Change in % of Net Sales
SG&A	380.1	67.3%	+1.2	+7.8%	+27.7	+33.1
Marketing Investments	198.4	35.1%	-0.2	+5.2%	+9.8	+13.4
Brand Development/ R&D Investments	30.2	5.4%	+0.3	+12.3%	+3.3	+3.7
Personnel Expenses	64.3	11.4%	-0.1	+4.5%	+2.8	+3.5
Other SG&A Expenses	87.1	15.4%	+1.2	+15.6%	+11.8	+12.4

*1. The "+" and "-" symbols in YoY Change are used to indicate increase and decrease in amount and percentage of net sales, respectively.

*2. Marketing Investments includes POS personnel expenses.

Supplemental Data 5

Summary of 2019 Q2 Results

(Billion yen)	2019		2018		YoY Change	YoY Change %	YoY Change FX-Neutral %	Like-for-Like FX-Neutral % ^{*3}
		% of Net Sales		% of Net Sales				
Net Sales	291.0	100%	268.8	100%	+22.2	+8.3%	+9.9%	+9.0%
Cost of Sales	59.0	20.3%	54.1	20.1%	+4.9	+9.0%		
Gross Profit	232.0	79.7%	214.7	79.9%	+17.3	+8.1%		
SG&A	202.0	69.4%	190.7	71.0%	+11.2	+5.9%		
Operating Profit	30.0	10.3%	24.0	8.9%	+6.1	+25.4%		
Ordinary Profit	28.4	9.8%	25.6	9.5%	+2.9	+11.2%		
Extraordinary Income/Loss (net)	-0.5	-0.2%	1.4	0.5%	-1.9	—		
Net Profit Attributable to Owners of Parent	18.9	6.5%	18.8	7.0%	+0.1	+0.8%		
EBITDA ^{*2}	43.4	14.9%	38.1	14.2%	+5.3	+13.9%		

*1. The "+" and "-" symbols in YoY change indicate increase and decrease in amount, respectively.

*2. After adjustment: Net income (loss) before income taxes + Interest expense + Depreciation and amortization expense + Impairment loss on goodwill and other intangible assets

*3. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business in Japan 2018 and advance sell-in related to the implementation of new ERP in Americas 2019

Supplemental Data 6

Sales Momentum Accelerated across Most Regions vs Q1

Q2 Sales by reportable segment

(Billion yen)	2019		2018		YoY Change	YoY Change %	YoY Change FX-Neutral %	Like-for-like FX-Neutral %*2
		% of Net Sales		% of Net Sales				
Japan	117.9	40.5%	116.1	43.2%	+1.8	+1.6%	+1.6%	+2.7%
China	55.2	18.9%	47.3	17.6%	+7.9	+16.8%	+22.3%	+22.3%
Asia Pacific	17.3	5.9%	16.3	6.0%	+1.0	+6.4%	+10.3%	+10.3%
Americas	36.1	12.4%	30.7	11.4%	+5.4	+17.5%	+17.3%	+4.4%
EMEA	23.2	8.0%	21.8	8.1%	+1.4	+6.4%	+12.0%	+12.0%
Travel Retail	29.7	10.2%	23.9	8.9%	+5.8	+24.3%	+24.5%	+24.5%
Professional	3.7	1.3%	3.8	1.4%	-0.2	-4.0%	-1.8%	-1.8%
Other	8.0	2.8%	9.0	3.4%	-1.0	-11.1%	-11.1%	-11.1%
Total	291.0	100%	268.8	100%	+22.2	+8.3%	+9.9%	+9.0%

*1. See Supplemental Data 10 for details about changes in reportable segments. The previous year's results are restated to reflect the new reportable segments.

*2. Like-for-Like, excluding the impacts of withdrawal from the amenity goods business in Japan 2018 and advance sell-in related to the implementation of new ERP in Americas 2019.

Supplemental Data 7

OPM 10.3%

Q2 Operating profit by reportable segment

(Billion yen)	2019		2018		YoY Change	YoY Change %
		OPM %		OPM %		
Japan	22.0	17.2%	21.5	17.5%	+0.4	+2.0%
China	5.0	9.1%	0.8	1.8%	+4.2	+505.7%
Asia Pacific	0.8	4.4%	1.2	7.3%	-0.4	-35.3%
Americas	0.3	0.6%	-2.6	-6.5%	+2.9	—
Before Amortization of Goodwill, etc.	1.6	3.2%	-1.3	-3.3%	+2.9	—
EMEA	-3.2	-12.1%	-3.7	-15.4%	+0.6	—
Before Amortization of Goodwill, etc.	-2.7	-10.5%	-3.3	-13.6%	+0.5	—
Travel Retail	7.0	23.6%	5.6	23.6%	+1.4	+24.4%
Professional	0.2	4.5%	0.3	6.6%	-0.1	-35.0%
Other	-1.8	-4.6%	1.7	4.6%	-3.5	—
Subtotal	30.3	8.7%	24.9	7.9%	+5.4	+21.9%
Adjustments	-0.3	—	-0.9	—	+0.6	—
Total	30.0	10.3%	24.0	8.9%	+6.1	+25.4%

*1. OPM is calculated using net sales including intersegment sales.

*2. See Supplemental Data 10 for details about changes in reportable segments. The previous year's results are restated to reflect the new reportable segments.

Supplemental Data 8

2019 Latest Full-Year Sales Forecast by Reportable Segment

(Billion yen)	2019	2018 After Segment Changes	YoY Change %			Initial Plan		2018 Before Segment Changes
			YoY Change FX- Neutral %	Like-for-Like FX- Neutral % ^{*2}		Change from Initial Plan		
Total	1,164.0	1,094.8	+6.3%	+8.2%	+9.6%	1,172.0	-8.0	1,094.8
Japan	473.5	454.5	+4.2%	+4.2%	+5.6%	480.0	-6.5	454.6
China	220.0	190.8	+15.3%	+20.0%	+20.0%	217.0	+3.0	190.8
Asia Pacific	73.5	68.1	+7.9%	+11.2%	+11.2%	74.0	-0.5	68.1
Americas	126.5	131.7	-4.0%	-2.5%	+3.7%	135.5	-9.0	131.7
EMEA	117.0	113.2	+3.4%	+8.8%	+8.8%	113.5	+3.5	113.2
Travel Retail	104.0	87.6	+18.7%	+21.0%	+21.0%	102.5	+1.5	87.6
Professional	14.5	14.1	+2.5%	+4.0%	+4.0%	14.5	—	20.3
Other	35.0	34.7	+0.9%	+0.9%	+0.9%	35.0	—	28.5

Exchange rates 2019 average: USD1 = JPY108.5 (-1.8%), EUR1 = JPY122.8 (-5.9%), CNY1 = JPY15.8 (-5.3%)

*1 See Supplemental Data 10 for details about changes in reportable segments.

*2. Like-for-Like, excluding the impact of withdrawal from the amenity goods business, etc. in Japan 2018 and the impacts of applying U.S. GAAP (ASC 606)

Supplemental Data 9

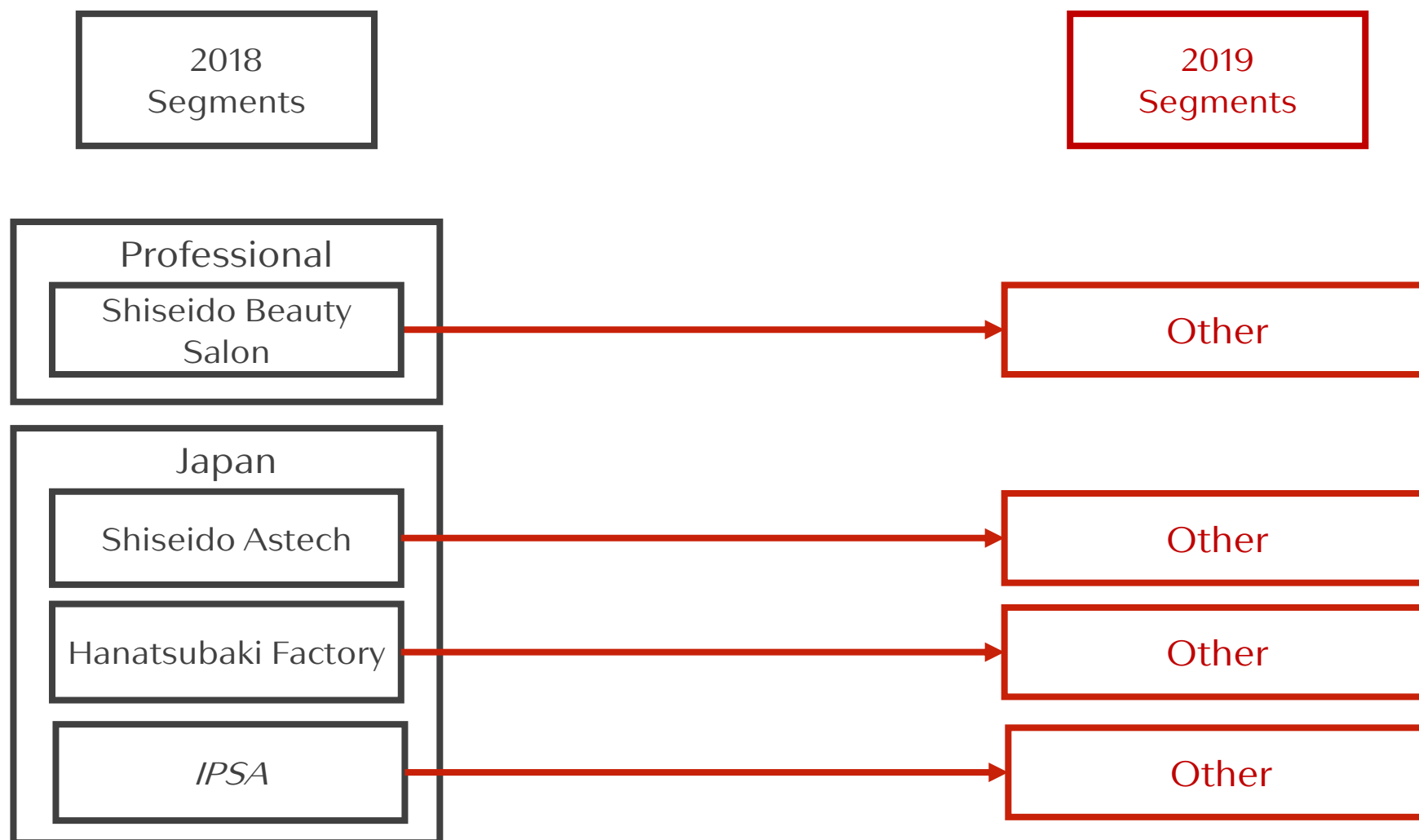
Capital Expenditures/Depreciation and Amortization

(Billion yen)	2019 1H	2018 1H	2019 Forecast
Capital Expenditures*1	64.1	49.0	155.1
Property, Plant and Equipment	50.6	38.4	124.0
Intangible Assets, etc.	13.5	10.6	31.1
Depreciation and Amortization	26.8	20.2	58.5
Property, Plant and Equipment	15.2	9.6	—
Intangible Assets, etc.	11.6	10.6	—
R&D Expenses	15.7	11.7	34.3

*1. Investments in capital expenditures; property, plant and equipment; intangible fixed assets (excl. goodwill, right of trademark, etc.); and long-term prepaid expenses

Supplemental Data 10

Main Constituents of Old and New Reportable Segments



* The Group has revised its reportable segment classification method in line with changes in its internal management structure from the first quarter of the fiscal year ending December 31, 2019. Shiseido Beauty Salon Co., Ltd., which was previously included in the Professional Business, is now included in Other. Shiseido Astech Co., Ltd. And Hanatsubaki Factory Co., Ltd., which were previously included in the Japan Business, are now included in Other. From the third quarter of the previous consolidated fiscal year, the results of IPSA Co., Ltd., which were previously included in the Japan Business, are now included in the Other segment.

Supplemental Data 11

Major Public Announcements

News Releases

- August: Shiseido and Tory Burch Announce Long-Term Beauty Partnership Agreement
 - Exclusive Worldwide License for Beauty Products-
 - Underscores Strength of Shiseido's Platform and Resources to Support Further Growth of Tory Burch Beauty Brand-
- July: **Shiseido President and CEO Masahiko Uotani Becomes Chair of "30% Club Japan" Contributing to the Improvement of the Percentage of Female Executives**

Shiseido Launches Full-Scale IoT Skincare Service Brand "*Optune*"
- May: Shiseido Strengthens Strategic Partnership with A.S. Watson Group

Annual report 2018

Shiseido Opens SHISEIDO FOREST VALLEY at Jewel Changi Airport

"Shiseido Life Quality Beauty Center" Opens in Singapore

Shiseido establishes Japanese Beauty Institute Communicating unique Japanese aesthetics to the world
- April: **Shiseido and KANEKA Launch Joint Development of Biodegradable Cosmetic Containers**

Shiseido Supports Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

External Director Ms. Ishikura at "2019 Daiwa Investment Conference Tokyo"

Corporate Governance Report Revised

The Shiseido Philosophy Is Formulated Anew

Shiseido Global Innovation Center Commences Full-Scale Operation
 - Realizing a New Style of Research and Development Towards Further Growth-
Shiseido Signs Joint Business Plan with Alibaba Group

* ESG initiatives are in red

Supplemental Data 11

Major Public Announcements

News Releases

- March: **CLÉ DE PEAU BEAUTÉ ANNOUNCES THE LAUNCH OF 'THE POWER OF RADIANCE' PROGRAM**
Creating a new market through the integration of foundation and medicated skincare
- February: **Notice on Introduction of Performance-Linked Stock Compensation as Long-Term Incentive-Type Remuneration ("LTI")**
Shiseido Establishes a New Factory in Kurume City, Fukuoka Prefecture
-Responding to Growing Demand and Further Business Expansion Inside and Outside Japan-
Notice of Transfer of Dermatologic Agent Brands *FERZEA* and *Encron*
- January: Notice of Merger between Consolidated Subsidiaries