

For Further Growth ~Acquisition of *Drunk Elephant*~

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SHISEIDO

Drunk Elephant: Innovative, Rapidly-Growing Prestige Skincare Brand

- Overview of *Drunk Elephant*
 - Founded by Ms. Tiffany Masterson in 2012
 - Best-in-class presence in “Clean” market in the U.S.
 - Delivering effective skincare products for all skin types with carefully selected ingredients
 - Tiffany’s direct and authentic engagement leveraging social media channels



Accelerating Growth of *Drunk Elephant*

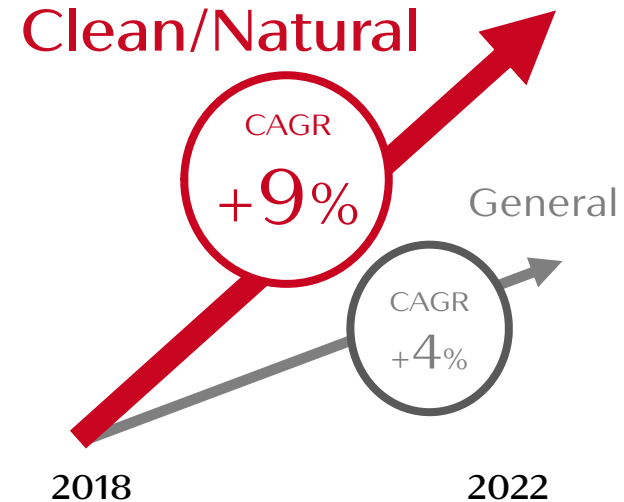
- Clean market's growth overperforms general cosmetic market
 - Global consumers' trends towards "Clean & Sustainable"
 - The largest market: the U.S. clean market is leading the global trend

- *Drunk Elephant*

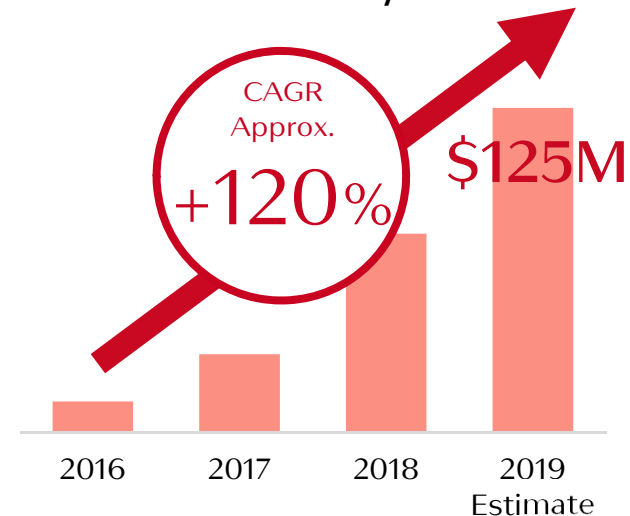
- Accelerating growth
- Further growth through global development
- E-commerce ratio: over 50%

- Market growth forecast* (2018-2020)

*Shiseido Estimate



- Sales of *Drunk Elephant*



Significance of *Drunk Elephant* for Shiseido

- Strengthening portfolio of prestige skincare categories
- Enhancing profitability in the Americas
- Global expansion leveraging Shiseido's capabilities
- Reinforcing digital and D2C engagement



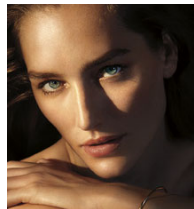
Strengthening Portfolio of Prestige Skincare

Prestige

Makeup



NARS

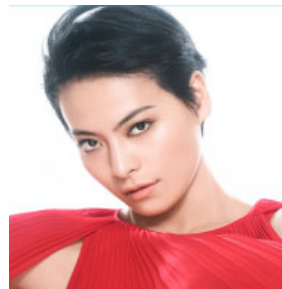


LAURA MERCIER
PARIS | NEW YORK

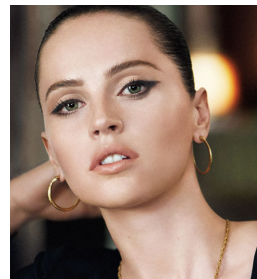


bareMinerals

Skincare



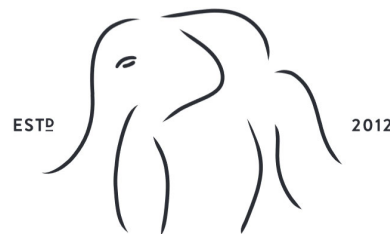
SHISEIDO
GINZA TOKYO



clé de peau
BEAUTÉ



IPSA



ESTD 2012

DRUNK ELEPHANT™

Fragrance



DOLCE & GABBANA



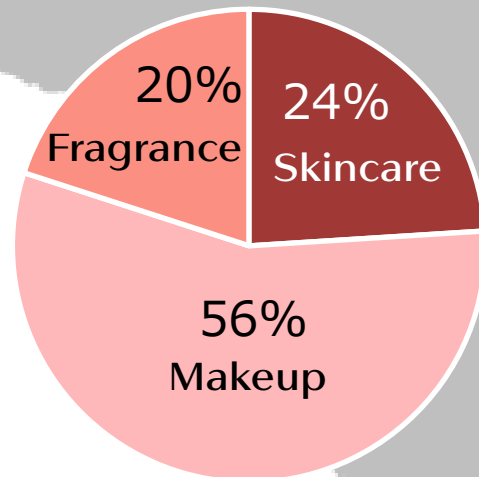
narciso rodriguez



ISSEY MIYAKE
THE NEW FRAGRANCE FOR MEN

Enhancing Profitability in the Americas

- Prestige skincare brand with high profitability contributes to strengthening the Americas brand portfolio



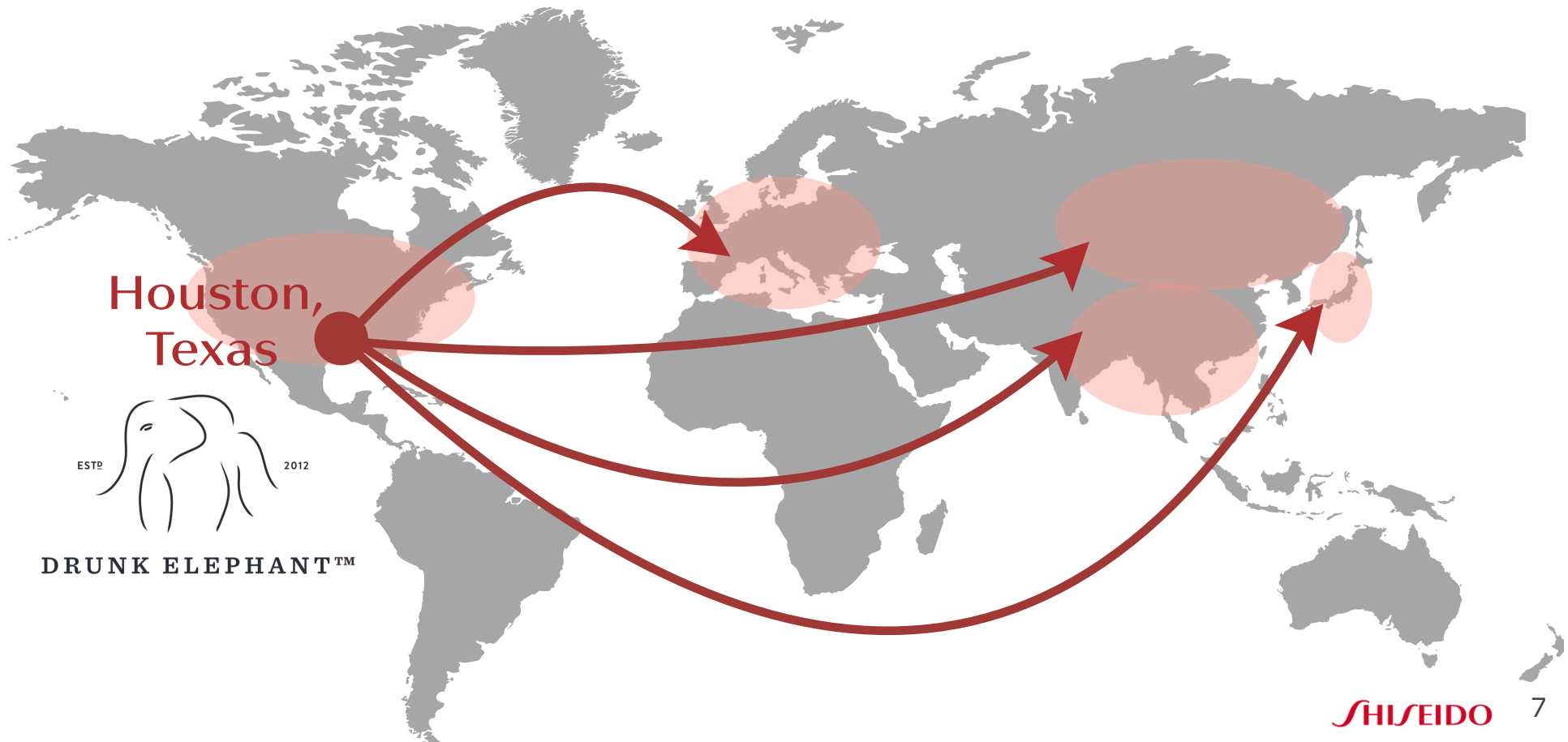
2018



202X

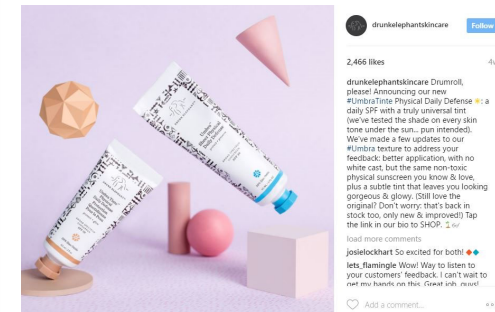
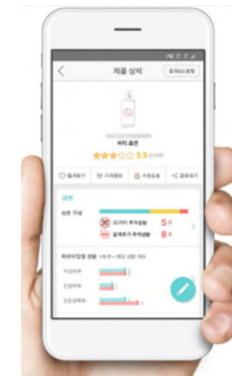
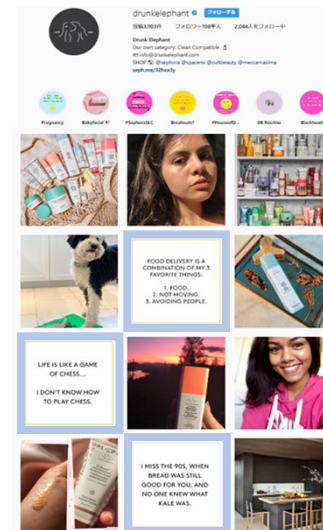
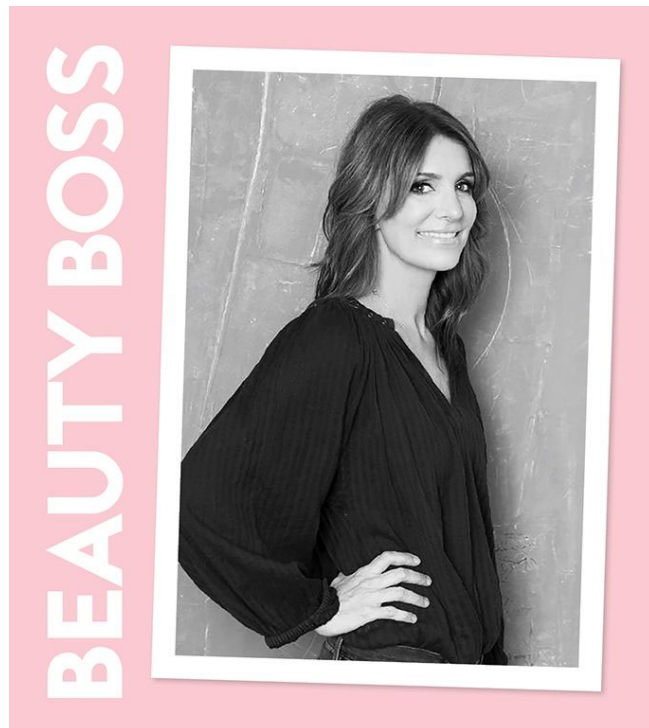
Global Expansion Leveraging Shiseido's Capabilities

- “Clean” market:
Expanding in the U.S. and Europe, High acceptance in China
- Accelerating global development leveraging our cross-border marketing expertise and global platform



Reinforcing Digital and D2C Engagement

- This partnership enable Shiseido Group to strengthen our existing digital and social media presence
- Founder's direct and authentic engagement with her community leveraging social media channels





BE A
GLOBAL WINNER
WITH OUR HERITAGE

TARGETS
Sales: ¥2 Trillion
OP: ¥300 Billion

THE MOST TRUSTED BEAUTY COMPANY IN THE WORLD

Most
INNOVATIVE

ASPIRATIONAL
to Youth

Selected by
DIVERSE
TALENT

TRUSTED
by Society &
Shareholders

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.

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Appendix: Overview of Acquisition

Acquiree	Drunk Elephant Holdings, LLC
Acquisition Price	\$845 M (Estimation)
Financing	This acquisition will be funded by a combination of cash on hand and bank borrowings
Closing	Before year end 2019 (Scheduled)
Impact	This acquisition will have no significant impact on the consolidated operating results of the Shiseido Group in the period ending December 2019. No change in Shiseido's shareholders return policy.