

Empowerment of rural Bangladesh women

Since FY2011, Shiseido has been promoting the activity for rural Bangladesh women to improve their social status and support their success.

This activity is an initiative aiming to not only conduct business but also resolve the concerns and social issues of the women who live in the rural areas of Bangladesh by utilizing the know-how owned by Shiseido. In September 2015, the activity was selected as a model activity of the “Business Call to Action (BCtA) ” led by United Nations Development Programme (UNDP) . Shiseido is the first Asian cosmetics company to receive this recognition.



Wish to support women and resolve social issues through the “power of beauty”

In order to achieve our mission “to inspire a life of beauty and culture”, Shiseido has been promoting corporate activities for responding to social expectations and issues.

Since the “improvement in women’s social status” has been pointed out as one of the recent international and social issues in addition to poverty and environmental issues, Shiseido signed “Women’s Empowerment Principles (WEPs) (target_ blank) ” as one of the first Japanese companies.

Furthermore, we considered how we can contribute to the society by making use of the “power of beauty” which is based on Shiseido’s research results, findings and technologies regarding makeup and beauty, that have been accumulated since the foundation of Shiseido, from both tangible and intangible aspects.

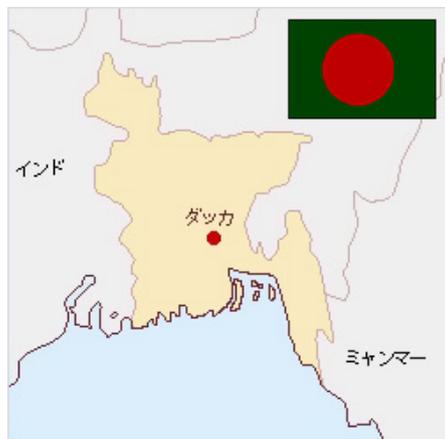
Reason why Bangladesh was selected as this activity place

Compared with East Asia which has achieved a certain degree of growth even outside the urban areas and in which women’s social status has been also improving, in South Asia, there are more emerging countries and many different types of issues including economic disparities, gender gap, etc.

Under such a situation, although many issues are related to health and hygiene, the rural Bangladesh women are highly aware of beauty and skincare. Therefore, with focus on this area, we were able to start our activity with the strong support from the local NGO, etc.

About Bangladesh <Excerpt from the website of Ministry of Foreign Affairs of Japan>

When Bangladesh became an independent country from Pakistan and established the national flag, it is said that Bangladesh used the Japanese national flag as a model. From that time, it has been a pro-Japanese country that has a feeling of friendship and admiration for Japan.



<Excerpt from the website of Ministry of Foreign Affairs of Japan>



Photo : Mika Tanimoto /JICA

Activities in Bangladesh

We implemented the in-house job challenge system for project members in 2010 and launched the “South Asia Social Business Project” in collaboration with research centers, production/procurement divisions, etc.

Start from living together in the local site

In the first year, by living under the same roof with the families in the local rural area for a total of 4 months, the project members started from understanding their living conditions and customs as well as listening to the concerns and dreams that the rural women have.

From there, various issues caused due to their life, custom, etc. came in sight.



Rural area of Bangladesh

<p>Life/custom</p>	<p>Men have the right to make important decisions in the household (Family plan, divorce, working, household budget, etc.)</p>	<ul style="list-style-type: none"> • Cannot feel confident about oneself • Not good at speaking in front of people • Cannot take actions voluntarily
<p>Health/nutrition</p>	<ul style="list-style-type: none"> • Dietary habit of taking plenty of sugar, oil and salt, and a lack of knowledge regarding the effect of this habit on health • Late night meal 	<ul style="list-style-type: none"> • Unhealthy/sick due to biased nutrition • Skin troubles such as pimples
<p>Hygiene/beauty</p>	<ul style="list-style-type: none"> • A lack of correct hygiene and beauty knowledge (Hand washing, effect of UV rays on skin, etc.) • There are no cosmetics that Islamists can use without worries. 	<ul style="list-style-type: none"> • Unhealthy/sick due to unsanitary living practice • Skin aging caused due to a lack of appropriate skincare

Development of skincare products with Halal Certification*

The project members, who lived with the rural women, had been thinking how to respond to the women's wishes to become beautiful, youthful and healthy, same wishes that even the Bangladesh women also have, by using Shiseido's technologies and know-how.

* It means that the Halal Certification body approves that the target item is manufactured by using the ingredients and manufacturing process which are recognized as legal under the Muslim law and permitted to be used by Muslim.

Although there is no sufficient and correct beauty knowledge, the local women, who wish to become healthy, beautiful and youthful, are highly aware of beauty. Especially, they don't take any correct UV-ray protection measures in spite of the environment exposed to strong UV rays since suncare products are easily removed by sweat and water; therefore, their skins receive adverse impact from the environment and many women look older than their actual age. In addition, many Bangladesh people are Muslim and there are not many products which comply with their strict rules (products with Halal Certification). We heard that many of the women said "I wish there were Halal-compliant products because I can use them without any worries".

Therefore, we achieved the development of the skincare product with Halal Certification "Les DIVAS".



"Les DIVAS"



"Les DIVAS"

- Cleansing foam: 1 type
- Moisturizing gel: 2 types
- Sunscreen: 1 type



Acquisition of Halal Certification
Shiseido Vietnam Factory



We are reported that the women, who used this product, said "I can use it without any worries because it is Halal-compliant" and "My skin got soft".

Development of original sunscreen technology from this activity

The local climate is not only with strong UV rays but also hot and humid. Regular suncare products are easily removed by sweat and water. This has been one of the concerns of the local women.

When researchers saw their situation, they felt the necessity of a sunscreen product with high UV-ray protection function which can maintain the effect even after sweating. Therefore, they turned their attention to the minerals and other components of water and sweat and succeeded in developing the original technology "WetForce" that provides enhanced protection against UV rays when in contact with sweat or water. This technology is currently utilized for sunscreen products* which are sold all over the world.



Women using "Les DIVAS" sunscreen



Hearing by research members



"Perfect UV Protection N"

Progress on workshops by local women (awareness-raising activity)

With "Les DIVAS" as the approach, we have been promoting educational activities such as workshop on health/beauty, and improving daily living habitats through the flip chart show which was created in the local language (Bengali). This is also an important initiative of this project. The workshops are led by local female salespersons who have received trainings.

Many of the workshop participants and women, who used this product, became more proactive in getting involved with the society and other external environment by saying "I now like my skin", "The opportunities to go out on my own increased", and "I told other people that I feel happy because I could change my consciousness and behavior".

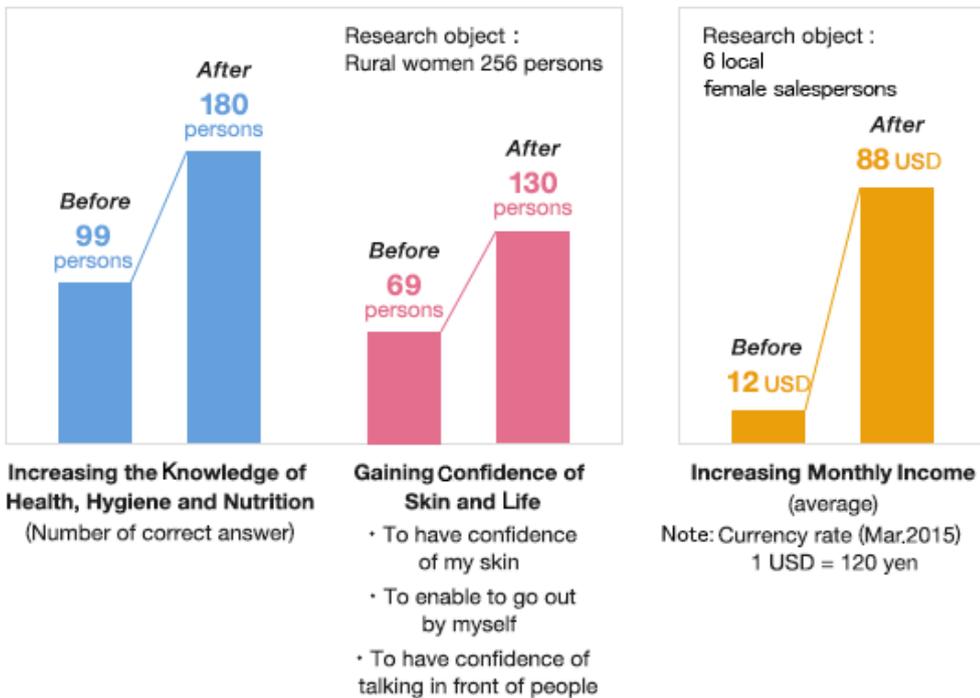


Awareness-raising activity (workshop)



Flip chart show for awareness-raising activity (in Bengali)

Positive impact by this project in the rural villages in Bangladesh (Period: Jan.2014 to Dec.2015)



Present activities

Since FY2015, a workshop has been conducted for women working at garment factories and female students in villages in addition to the activities in rural areas, and 89,300 people have participated as of 2016. They provided the following opinions: "I understood the importance of facial cleansing by making foam", "I want to get more information to make my skin beautiful", and "I want to buy Les DIVAS immediately".

Shiseido will continue to accept the needs of local women and contribute to the resolution of local social issues and improvement in their quality of life.



Demonstration of making foam to female students by Shiseido's employee

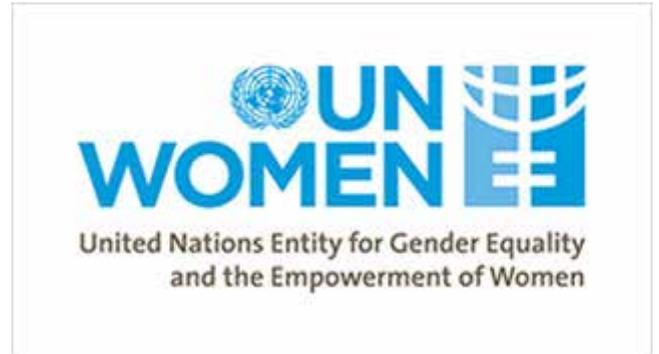
Collaboration with UN Women and the Empowerment of Women

Collaboration with UN Women and the Empowerment of Women

Shiseido has signed an agreement with UN Women, making it the first Japanese company to commit itself to lead the promotion of gender equality in Japan.

Joint Efforts with UN Women

In 2017, Shiseido signed an agreement with UN Women (the United Nations Entity for Gender Equality and the Empowerment of Women) and committed itself to lead the promotion of gender equality in Japan where the gender gap is still pervasive. The present agreement was reached as both parties pursue the same cause: Shiseido actively supports women's advancement while UN Women centers its efforts on gender equality and the empowerment of women worldwide. Going forward, Shiseido will continue to promote the UN Women's HeForShe (target_blank) initiative inside and outside the Company, as well as organize workshops for young people to discuss how to address gender issues, aiming to realize a society where each and every individual can make their own life choices and fulfil their potential regardless of gender.



What is HeForShe?

HeForShe is a solidarity campaign for gender equality launched by UN Women in 2014. Its aim is to encourage all people, men as well as women, around the world to take voluntary actions to achieve a gender-equal society.

We collect commitments from supporters of this campaign. The beliefs and actions of individuals play an important role in achieving gender equality. If you support the campaign, please add your commitment to HeForShe.



Awareness Raising Workshops on Gender Equality for Senior High School and University Students

We have been holding awareness raising workshops on gender equality targeting mainly young people, our future leaders, in partnership with UN Women since 2017. These workshops are designed to encourage senior high school and university students to discuss gender issues, which are still deeply rooted around the world as well as in Japan, to identify what should be done to empower people to live a life that is true to themselves without being swayed by social stereotypes. Through discussion, participants identify issues that need to be addressed and present solutions for these issues to the public.

On October 14, 2017, we held the event that students presented solutions to gender issues jointly with UN Women at United Nations University in Tokyo. Teams representing five high schools and three universities presented their innovative solutions to different sectors (government agencies, private companies, educational institutions, NPOs, etc.). A wide range of themes was proposed, including how gender education should be conducted, problems with awareness of dividing roles along gender lines at home, as well as issues facing gender minorities. Each team received comments on their solutions from representatives of each sector: such as “Your presentation makes us realize a lot of important things. Moreover, I expect communicative students not only to share their ideas in this stage, but also to raise social problems such as gender issue to a society.” The students who participated told us, “I was very nervous, but it was precious experience. In addition, not only presenting at this event, we would like to move from words to action in the future.”

We also held a side event in the same venue, featuring a panel exhibition on Shiseido’s global activities to support women’s empowerment and a gender experience event. In addition, there was a booth where we introduced HeForShe. The side event provided participants with an opportunity to think for themselves about gender issues.

Through these efforts, Shiseido aims to create a society where all people can live a fulfilling life and be true to themselves.



The students' presentations



The students' presentations



side event



photo with all of the participants

Supporting Female Researchers and Academic Research

Shiseido contributes to the development of science and dermatology through support for women who aim to be leading researchers specializing in the natural sciences and through over 40 years of funding in dermatology. In addition, in the field of aesthetic dermatology, we have established the "Minami Aoyama Dermatology Skin Navi Clinic (Japanese only)" through the Camellia Club Medical Foundation Incorporated to which Shiseido donated funds for its establishment. Its research achievements have been contributing to the development of new cosmetics and aesthetic medicine to help improve quality of life (QOL) for all individuals and have been recognized by the Japanese Society of Aesthetic Dermatology.

Support for Female Junior High School and High School Students] in Selecting Science & Technology -Related Courses

Shiseido began promoting activities to present the possibility of selecting science-related courses to female junior high school and high school students in 2011. We sent Shiseido employees specializing in science such as its researchers to schools as "career education" instructors to arouse students' interest in the sciences and the "wide range of future options and possibilities available by selecting science-related courses" by introducing their experience. In fiscal 2016, we held onsite classes in 3 schools, including KOKUGAKUIN KUGAYAMA JUNIOR HIGH / HIGH SCHOOL, targeting a total of approximately 160 junior high school and high school students and promoted the advantages of selecting science-related courses.

Students who participated told us "I got to know about the wide variety of career choices when selecting science-related courses". It is also a good opportunity for researchers/lecturers to look back at their beginnings.

We will continue collaboration with schools to support female junior high school and high school students to design their future "dreams" and contribute to the development of future human resources in science that support Japan, a world leader in science and technology, by offering social activities unique to Shiseido.



Kokugakuin Kugayama Junior High / High School (The lecture scene)



Kokugakuin Kugayama Junior High / High School (Workshop)

Childcare support

Shiseido not only supports our employees to realize a good balance of "work" and "childcare" but also promotes efforts to share various concerns of women in a child-raising period with the entire society.

KODOMOLOGY— In-house nursery business to support childcare and work-life balance

Shiseido is embarking on developing new value through childcare services that go beyond traditional daycare. We plan to utilize the knowledge accrued from our activities to help women's empowerment in the workplace and from research into human sensibilities and sensations, which is primarily used in our cosmetics business. We hope to be a larger contributor to the lives of women by becoming their lifelong partner. In addition, we plan to develop a gender-neutral child-raising culture. The first step in this endeavor is the establishment of KODOMOLOGY Co., Ltd., a joint venture set up with JP-HOLDINGS, INC. on February 20, 2017. The objective is to win contracts to operate and manage in-house nurseries, thereby providing support to parents and guardians working at the company and to help with childcare.

We plan not only to utilize our own expertise and that of JP-HOLDINGS, but also to accumulate new knowledge related to the period before and after childbirth and the child-raising years, by cooperating with outside partners, including universities, research institutes, and public entities. This newly acquired knowhow will be incorporated into the in-house nurseries and in childcare at home.

In addition, our company aims to implement other initiatives to improve corporate atmosphere for working parents, educate management, including men, on the issues faced by expecting and nursing mothers and workers raising children, and to provide information to the next generation of parents and those in the prime of their career. Thus we aim to facilitate communication that will enrich the hearts and health of employees working at companies that utilize these in-house nursery services.


 The logo for KODOMOLOGY is displayed in a clean, sans-serif font. The word "KODOMOLOGY" is written in all caps. A small black dot is positioned above the letter 'O' in the second 'MO' to represent a child's head, adding a visual element to the brand name.

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.



Shiseido Running Club

Shiseido Running Club promotes activities based on the slogan of "strong, quick and beautiful." By supporting female athletes, the club encourages health and beauty that are unique to Shiseido in three respects: mind, performance and body. The club thereby nurtures not only the "strength to win over yourself" and "ability and technique to run faster" but also the "spirit of hospitality." In addition to developing athletes who are affiliated with the club, we will also promote tips on running externally, lectures and "participation in local running events" in order to contribute to society. In doing so, we will spread the joy of running and better health among runners in general, ranging from children to elderly people.

Diversity & Inclusion

Shiseido declares the following in "With Employees" in Our Way which defines the actions that must be taken and shared by each and every employee of the Shiseido Group.

1. We respect the character and individuality of everyone in the work place, in all their diversity, and strive to develop and grow together.
 - (1) We never engage in or tolerate discrimination on any basis including, but not limited to, race, color, gender, age, language, property, nationality or national origin, religion, ethnic or social origin, political or other opinion, disability, health status and sexual orientation, nor do we engage in or tolerate moral harassment, including sexual harassment and abuse of power.
 - (2) We work together with our co-workers to fulfill our potential in our jobs.
 - (3) We strive to maintain a dialogue with our co-workers, and are committed to their growth as well as our own.
 - (4) We strive to conduct fair evaluations.

We promote diversity by activities mainly focused on "women" who account for 90% of Shiseido Group's consumers and 80% of employees, as well as by creating an environment and organizational climate in which each and every employee's ability can be exerted to the full .

Support Measures for Women's Activities

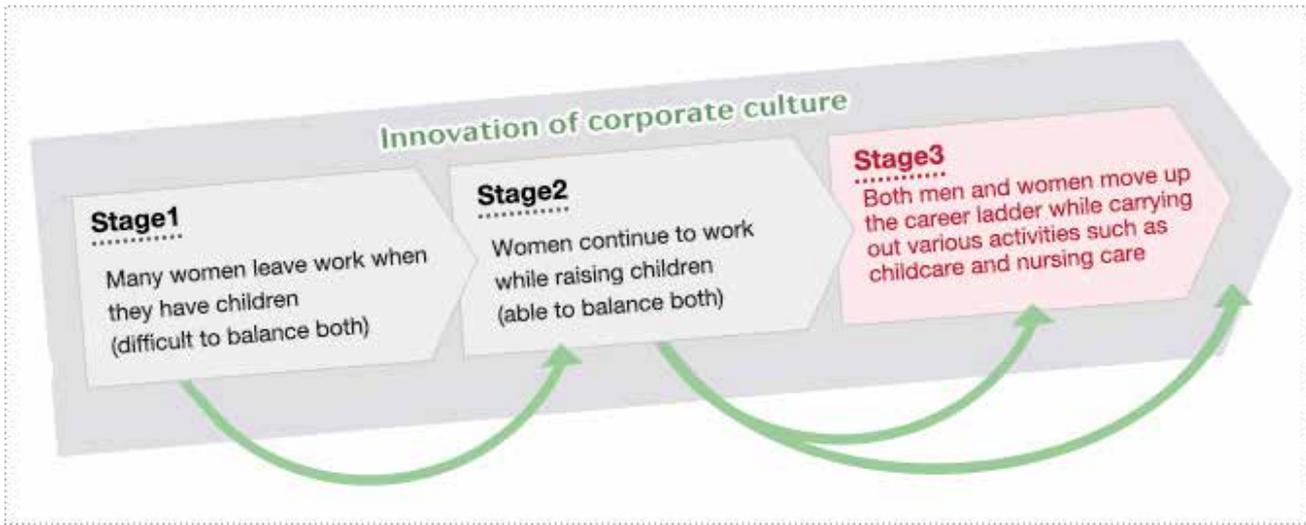
Shiseido actively promotes gender equality as part of the management strategies to establish the organizational culture that continues to enhance employees' vitality and improve results, with the aim of "enhancing corporate trust of employees, who are major stakeholders in the company". At the same time, efforts are made to "enhance the level of company recognition externally through advanced initiatives that are unique to Shiseido." In fiscal 2005–2012, we formulated the "Gender Equality Action Plan" and promoted the "cultivation of the corporate culture", in which we pursued a reform in awareness and actions to enable women to take active roles. We also worked on "strengthening the appointment and promotion of female leaders and human resources development" with the assumption of employing skilled employees. At the same time, we also worked on "reviewing how employees work to improve productivity" as a company-wide initiative in order to correct long-hour labor, which keeps women from taking active roles, and to realize employees' work-life balance.

As a result, we were able to cultivate career awareness among female employees. The ratio of female leaders has reached 30.0% as of January of 2017, and it has significantly improved compared to before the plan formulation. With the "review of how employees work", the number of employees working long hours has reduced, and the overtime work has been reduced by half through the implementation of switching off lights in all offices, Go Home On Time Day, etc. We have been able to reach certain results.

We will aim to further improve the productivity by working with people with disabilities and foreign people and realize a flexible and highly productive way of working by establishing role models in women's career development and according to diverse values.

Note: Female leader ratio in overseas offices: 69.3%

<Three Steps for Women Taking Active Roles>



We host forums as part of the initiatives to cultivate the culture in which diverse employees, including women, demonstrate their skills and take active roles.

During the Gender Equality Action Plan period, we held “Career Support Forum” with the themes of “reform into an efficient way of working” and “proactive career establishment of female employees”, which received a great reaction from the participants, including female employees and leaders.

In November of 2015, we held a seminar with the themes of efficient workstyle and development of subordinates, targeting leaders. In December, we held “Career Navi Lunch” as a place to share role models within the Company. Through these initiatives, we continuously promote reform of employee awareness and establish good corporate culture.



Career Support Forum

TOPICS: Tops in Overall Ranking for Three Straight Years in “100 Best Companies Where Women Play Active Part”

Shiseido was selected “The First-Place of Overall Ranking” for three straight years since the year 2014 in “100 Best Companies Where Women Play Active Part” organized by “Nikkei Woman” and “Nikkei Womenomics Project”. Adding to it, we were awarded a prize on “The First Place of Diversity Penetrance” as a category ranking.

This ranking was based on “Survey on Female Workers’ Workplace Opportunities” conducted by “Nikkei Woman”, women’s career and lifestyle magazine published by Nikkei Business Publications, and Nikkei Womenomics Project, and evaluated 534 companies with valid responses. The survey measures how female workers are treated and promoted in terms of four categories: 1) promotion to managerial positions, 2) work-life balance, 3) active use of women’s ability, and 4) diversity penetrance. After appropriate weights are added to the scores of each category, the results are summed up to derive deviation scores for the overall ranking of “Companies Where Women Play Active Part” and for the previously mentioned four category rankings.

Shiseido has been promoting various initiatives since 1990 with the aim of becoming a company in which women continue to take active roles through corporate culture reform/reform of employee awareness, by establishing internal systems, such as child care leaves/child care time system, and others, prior to the law and establishing child care facilities within affiliates as part of the initiatives to support people to balance work and child care. From 2004, we have been dealing with enabling women to take active roles as a corporate strategy. Through Stage 1 - “Many women leave work when they have children” and Stage 2 - “women continue to work while raising children”, we are currently aiming to become a company that enables a situation of Stage 3 - “both men and women move up the career ladder while carrying out various activities such as childcare and nursing care”. These continuous initiatives were evaluated as indicators of a leading company that focuses on creating an environment where both men and women would be able to play an active role and led to a double award in “overall ranking” and “diversity penetrance”.

To achieve our mid- to long-term strategy “VISION 2020”, we will work on developing a prototype of corporate infrastructure. Furthermore, to actualize our vision “a global winner as a global beauty company from Japan”, we will focus on the management with emphasis on diversities. Shiseido will further evolve to “the best company that is a great place to work” for anyone.



Tops in Overall Ranking for Three Straight Years in "100 Best Companies Where Women Play Active Part"

A commendation ceremony(May 2016)

TOPICS: Shiseido receives the first “Advanced Corporation Awards for the Promotion of Women” hosted by the Cabinet Office

Shiseido received the “Minister of State for Special Missions Prize” in “Advanced Corporation Awards for the Promotion of Women”, which was newly established by the Gender Equality Bureau of the Cabinet Office in fiscal 2014.

This prize selects and awards companies which have demonstrated significant achievements in the policy to employ women in corporate officer/management positions, initiatives, achievement, and disclosure of such information in order to promote the establishment of working environments in which women can take active roles.

Shiseido has been promoting various initiatives since 1990 with the aim of becoming a company in which women continue to take active roles through corporate culture reform/reform of employee awareness, etc. by establishing internal systems, such as child care leaves/child care time system, prior to the law and establishing child care facilities within affiliates, etc. as part of the initiatives to support people to balance work and child care.

Also with female employee employment, the rate of female leaders (managerial position leaders with subordinates) within the domestic group has reached 26.8% as of April of 2014, thanks to the achievements from the “Gender Equality Action Plan”, etc. We are currently promoting further initiatives to achieve the goal of 30% in domestic female leader ratio within fiscal 2016 based on human resources development with the aim of enhancing the company contribution rate of both men and women by developing their careers.

Shiseido will continue proactively promoting initiatives to support women to take active roles in the future with the aim of realizing a society in which women shine.

Note: Domestic female leader ratio: 30.0% as of January, 2017



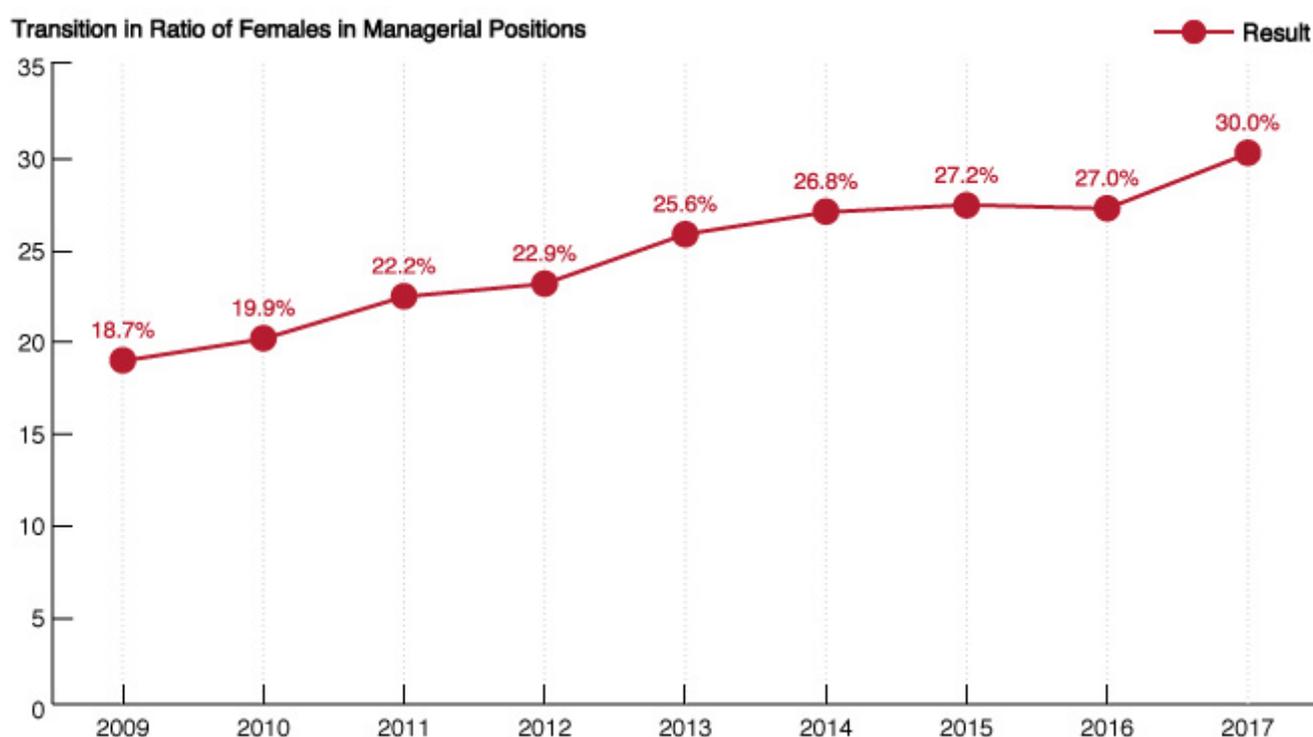
Commemorative photo at the awarding ceremony (front row, left: Corporate Executive Officer Sekine) (January, 2015)

Ratio of Female Managers

In terms of female manager employment, the Company has promoted "individual personnel development" to enable future female employee candidates to assume managerial positions through the "steady achievement of results and learning the basics of management," dealing with a higher level of work duties (how to assign work), expanding the professional area of focus (transfer), and other relevant initiatives, and achieved a 30% ratio of females in managerial positions in January 2017.

In order to evolve further, we focus on nurturing global human resources through leader trainings and digital skill enhancement programs, etc., aiming to create the "50:50" equal opportunity climate. In terms of society contribution, we established in February this year a joint company whose main business is the entrusted operation of in-house nurseries. Through this, we will contribute to the realization of a society where everyone can play an active role balancing their careers with raising children .

Note: Results are as of April 1 of each year until 2015. After 2016, the results are as of January 1 of each year.



Supporting LGBT

We are working on various activities such as creating an environment where every employee can be themselves at work , deepening the understanding of LGBT and supporting LGBT persons.

For example, we have held in-house sessions for understanding LGBT (since July 2015) and revised the employment regulations in which one can enjoy the same treatment for having a same-sex partner as that for an opposite-sex partner (as of January 1, 2017). By doing these, we are promoting the correct understanding of LGBT and preparing in-house systems for the employees who are LGBT persons.

Also, we participate in Japan's biggest LGBT supporting event, Tokyo Rainbow Pride, and continue social support activities such as makeup advice, sampling activities (volunteers from the Company) and makeup advice for patients who have undergone gender reassignment surgery, etc.

Through these activities, we were certified as Silver in 2016 by Work with Pride which evaluates companies' LGBT support.

Employment of Individuals with Disabilities

As one of our measures for "creating a workplace where all employees can actively work", we promote the employment of individuals with disabilities. Currently, about 290 such employees are taking active roles in the Shiseido Group. We promise the employees with disabilities that "we seriously expect achievement from them", "we provide necessary consideration, but not special treatment" and "willingly support those with the passion to work hard", expecting them to become precious personnel at the work places.

In a special subsidiary, Shiseido's Hanatsubaki Factory Co., Ltd., 34 employees, primarily developmentally challenged individuals, are working at the four locations in Tokyo, Osaka and Kakegawa.

The overall rate of employees with disabilities in Shiseido Group in Japan for fiscal 2016 was 2.06.

Employment of Foreign Personnel

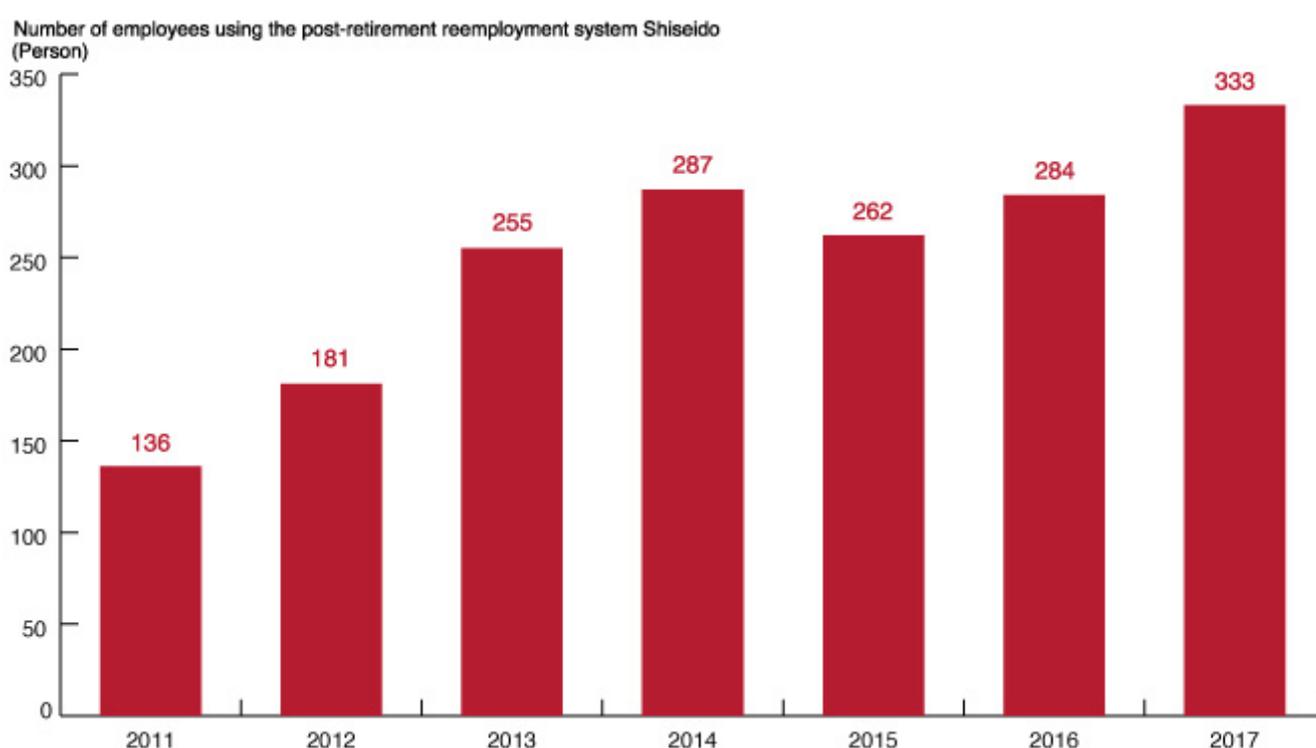
In addition to overseas subsidiaries, the Shiseido head office also has been employing diverse personnel regardless of nationality. We are hiring foreign personnel at the head office while adhering to the immigration control system, including resident status considerations, and subjecting them, regardless of nationality, to the same employment regulations after they join the company as the Japanese employees.

Post-retirement Reemployment System

Shiseido has been introducing a post-retirement reemployment system since FY2006 aimed at developing an energetic corporate culture and establishing an environment in which middle-aged and older employees who have grown within Shiseido can continue to work as long as they have the motivation and ability to do so. Especially since FY2014, we have introduced the "EL Partner System" and reemployed all the employees who wish to continue working.

As for the research and development area, we operate the "Senior Scientist System" for personnel that possess high expertise, ensuring handing down techniques and know-how to the next generation employees.

Note: Results are as of April 1 of each year until 2015. After 2016, the results are as of January 1 of each year.



Employment of Fixed-term Employees

The domestic Shiseido Group employs fixed-term employees based on labor-related laws and regulations and provides appropriate treatment with various social insurance and holidays stipulated by the law according to employment regulations and various other regulations.

Shiseido also has a system to reemploy retired employees*. We encourage such employees to work in Shiseido again, utilizing the experience they have gained after retirement.

* They are re-employed as fixed-term employees.

Employment of Temporary Employees

Temporary employees are working at the respective business sites and domestic Group companies of Shiseido according to the Worker Dispatch Law.

With regard to the employment of temporary employees at Shiseido Group, we are implementing various measures such as concluding agreements with employment agencies, development and management of registers, and appointment of personnel in charge of management, all of which is based on the Worker Dispatch Law policy related to measures that should be established regarding employment agencies and other relevant laws and regulations.

Shiseido verified the temporary employment contracts and details of work at all domestic business sites using a checklist to confirm the understanding of laws and regulations stipulated under the dispatch law together with personnel in charge of management.

Shiseido will continuously and appropriately respond to amendments in or reinterpretations of respective laws and regulations.

Realize a Rewarding Workplace

Realize a rewarding workplace

As a means for all employees to realize work-life balance and increase productivity of each and every employee, Shiseido has been introducing various measures. We are also promoting activities to review how employees work and working to eliminate long working hours and to increase ways of working in order to realize a workplace in which each and every employee can feel rewarded.

In FY2016, we introduced various measures and considered many possibilities to increase the productivity of individual employees, such as the promotion of telework. Since FY2017, aiming "to become the company whose mentally and physically healthy employees enjoy their time to improve themselves and create innovations", we call such work and life style of employees "Work Life Beauty" and are enhancing our measures.

Domestic business sites and affiliated companies are concluding labor-management agreements pertaining to overtime work by business site according to laws and regulations, and reporting to concerned administrative authorities.

As for concluding the labor-management agreements, not only do we state the statutory limit related to working hours but also include aspects of the risk of long-time work based on government guidelines. With this agreement, Shiseido is setting a maximum of 80 hours per month of overtime work even in exceptional cases (instances of 45 to 80 hours of overtime work per month are limited to up to 6 times per year).

Shiseido's efforts to reduce long working hours are as follows.

1. Spread knowledge of the labor-management agreement

Based on the understanding that overtime work is mandatory upon the order of the employer (supervisors), Shiseido complies with laws and regulations by informing the details of the agreement to personnel in charge at respective workplaces and personnel in charge of human resources at respective workplaces and periodically informing managers with subordinates, etc. We also provide relevant information to employees by using in-house bulletin boards and other means.

2. Promotion of activities to review how employees work

From FY2011, Shiseido established the guidelines (key performance indicators [KPI] and goals related to working hours) for reviewing how employees work and is currently promoting activities to review how employees work at all domestic business sites. According to the "Agreement 36 (Saburoku kyotei)", we have devised three objectives in the guidelines for reviewing how employees work to 1) reduce overtime work, 2) improve the acquisition rate of annual paid leave, and 3) reduce overall actual working hours. Accordingly, we are making progress in terms of reviewing promotion methods of work that address each business site and workplace. We are also horizontally expanding good internal examples by developing and distributing the "Guidebook to Review How Employees Work", which is a collection of case studies for review.

Since FY2016, all Shiseido Group offices in Japan clearly have stated concrete measures to conduct "Workstyle reform" and have been carrying out further improvements.

■ 3. Promotion of measures to switch off office lights and Go Home On Time Day

Since FY2009 lights at the head office were switched off at 10 p.m. This measure was extended to all domestic business sites*, including affiliated companies, since FY2010.

Furthermore, since FY2011 the HQ office has been making efforts to switch off lights at 20:00 and promote the Go Home On Time Day once a month.

* Excluding factories, stores, and storefronts that are implementing 24-hour operations or shift work.

Teleworking has been introduced in the headquarters, GIC, Shiseido Japan Co., Ltd. and some affiliates since January 2016. (Qualified workers and jobs differ by company.) As a measure of reviewing how to work, this system could be used by all employees, as well as those who are raising their children or taking care of their families.

■ 4. Verification of actual status of overtime work between employer and employees

Actual work hours and acquisition rate of paid leave are being regularly verified between employer and employees, reflecting the results in labor-management initiatives after sharing the issues.

Additionally, with regard to leaves and shortened work hours systems, in order to respond to the requests for more diverse working forms, Shiseido is improving childcare- and nursing care-related leaves/short working hours/time-off systems based on laws and regulations. In particular, Shiseido made it possible for employees to use the system for childcare for children up to the third grade in elementary school beyond the legal requirement. (Conditions for limited-term contract employees vary depending on contract terms; however, the conditions are higher than what have been stipulated by law.)

Furthermore, Shiseido has a spousal accompaniment for childcare system in place, by which employees with childcare responsibilities may request to accompany a spouse transferred within Japan. As for overseas transfers, we have a leave system to allow employees to take leave up to three years so that they can accompany spouses who are transferred overseas.

At the same time, regarding work-related systems, Shiseido has introduced a specialized discretionary work hour system for researchers at GIC.

Support for Balancing Work with Childcare and Nursing care

As a means for all employees to realize work-life balance and increase productivity, Shiseido has since 1990 been introducing various systems to help both men and women move up the career ladder while carrying out various activities such as childcare and nursing care.

Shiseido has been promoting original initiatives to develop an environment in which employees can work with a sense of assurance. Specifically, such initiatives include the establishment and operation of the "Kangaroom Shiodome" daycare facility located within a business site, a paid childcare leave system within a limited period of two weeks to encourage male employees to take childcare leave, and introduction of the Kangaroo Staff System* for Beauty Consultants (BCs) to take time off from work for childcare.

Employees' use of leave and shorter working hour systems related to childcare and nursing care is increasing every year. As of FY2016, the number of employees who used the childcare leave system/took time off for childcare is as follows: 1,453 employees (including 14 male employees) used the childcare leave (including Short-term paid parental leave), 2,156 employees (including 2 male employees) took time off to care for their children, 23 employees (including 3 male employee) took nursing care leave, and 27 employees (including 1 male employee) took time off for nursing care.

Moreover, as a part of activities aimed at becoming a company where both men and women can advance in their careers while raising children or nursing care for family members, we are also promoting reforms to the way BCs work. In implementing these reforms, we solicited feedback from BCs to ascertain the current situation and left in place the balance support systems introduced to date. Next, we conducted individual interviews with BCs currently raising children and their superiors, to ensure that systems could be utilized in ways tailored to the diverse working styles of each individual. Through the interviews, as well as having BCs share information about their childcare environments, we have communicated our expectations as a company with regard to BCs who are raising children, and confirmed the working styles that will lead to career advancement while taking into account the circumstances each BCs faces. As a result of promoting these reforms, 98% of BCs taking childcare time have revised the way they work, and consequently, they have gained an even greater awareness of career advancement than ever before.

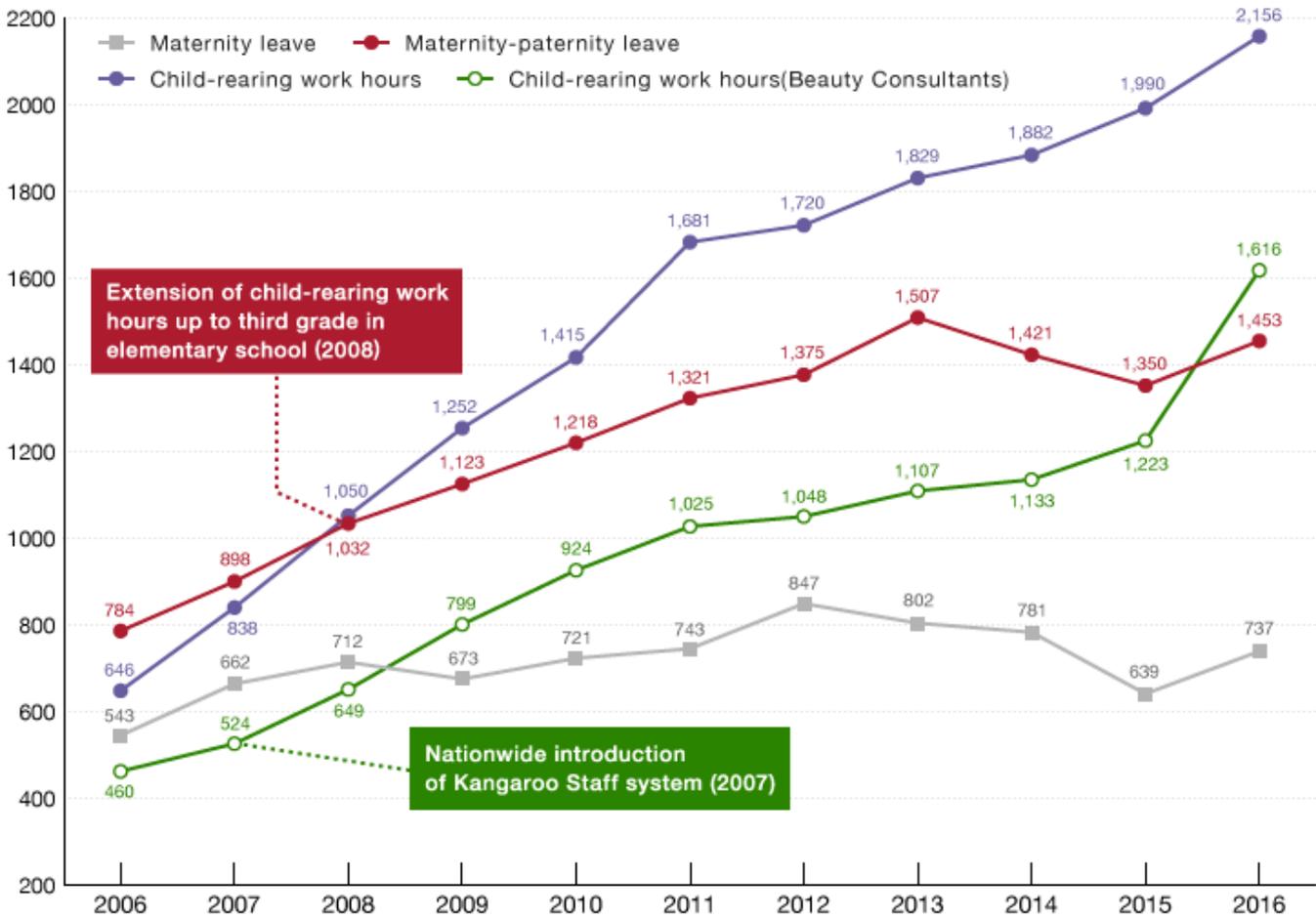
* Kangaroo Staff System (Japan)

Shiseido introduced the "Kangaroo Staff System" throughout Japan in 2007 to support evening storefront activities by having temporary workers take the place of BCs engaged in customer service activities so that the BCs could take time off to care for their children.

This program has enabled us to create a workplace environment that allows BCs who had difficulty balancing the competing demands of work and childcare to have children with peace of mind, since they would be able to care for the children while working to advance Shiseido's "100% customer-oriented" philosophy. When the program was first introduced, approximately 600 Kangaroo Staff members provided support for about 500 BCs who took time off to care for their children. In recent years, the Kangaroo Staff program has expanded to more than 1,803 Kangaroo staff providing such support for more than 1,000 BCs taking time off to care for their children.

Number of employees who used child care system in the domestic Shiseido Group

(Person)



Note1: Years ended December. Results for FY2015 are for 9 months between April and December.

Note2: The data is subject to the number of persons who used the systems among the domestic Shiseido Group managers, employees in general positions, Beauty Consultants, employees in specialized positions (routine operations specific to worksites), affiliates' employees and limited-term contract employees.

Note3: The targeted number of people is 23,276 as of January 1, 2017 (7,292 BCs).

Note4: Number of employees who used the childcare leave and took time off to care for their children is a cumulative total.

Since we are forecasting an increase in the number of employees who will continue working while using child-rearing work hours and nursing care work hours, employees are expected to be more conscious about their work and try to acquire time management, risk management and communication skills to consistently achieve results within their limited time. At the same time, managers are expected to exercise their management capabilities to raise motivation while understanding each and every employee's situation.

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	1998	A system by which employees can receive a fixed annual subsidy to offset childcare fees for children in nursery 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.
Encourage fathers whose infants are less than 8 weeks old to take paternity leave	2010	A system by which the company allows fathers who acquired paternity leave within 8 weeks after their spouses gave birth may take paternity leave again.
Cafeteria system for Child education support	2014	A system by which employees can receive support for outgoing expenses spent on child education, such as cramming schools, correspondence studies, enrichment classes, etc. for children.

General Business Owner Action Plans Complying with the Next-Generation Nursing Support Measures Promotion Law

Shiseido aims to establish a workplace in which each and every employee can work with a sense of reward and enhance their contribution toward the Company.

As part of the initiatives, we promote a number of measures to support female employees' further activities as well as to support employees, who are involved with childcare, so that they can balance work and childcare.

In addition, Shiseido Company, Limited obtained the "Kurumin" next-generation authorization mark in 2007 and 2013, and Shiseido Japan Co., Ltd. obtained the mark in 2007 based on the Act on Advancement of Measures to Support Raising Next-Generation Children.



Phase 5 of the General Business Owner Action Plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Target : Shiseido Company, Limited and Shiseido Japan Co., Ltd.

Period : April 1, 2016 – December 31, 2018 (2 years and 9 months)

No.	Goals	Time, Actions
1	Enhance individual human resource development in order to visualize and pool female leader candidates	<From 2016> Consider/implement development measures
2	Implement corrective measures to reduce overtime work	<From 2016> Consider/implement corrective measures
3	Consider and implement the introduction of the work-from-home system, etc. to promote efficient use of time	<From 2016> Prepare and consider promotion measures in preparation for the full-scale introduction

Phase 1 of the General Business Owner Action Plans based on the Act on Promotion of Women's Participation and Advancement in the Workplace

Target : Domestic Shiseido Group

Period : April 1, 2016 – December 31, 2018 (2 years and 9 months)

Numerical goal : 30% female leader ratio within the domestic Shiseido Group within FY2016

No.	Goals	Time, Actions
1	Enhance individual human resource development in order to visualize and pool female leader candidates	<From 2016> Consider/implement development measures
2	Implement corrective measures to reduce overtime work	<From 2016> Consider/implement corrective measures
3	Consider and implement the introduction of the work-from-home system, etc. to promote efficient use of time	<From 2016> Prepare and consider promotion measures in preparation for the full-scale introduction

Domestic Shiseido Group, which is the target of the action plan, includes Shiseido Company, Limited and Shiseido Japan Co., Ltd., Shiseido Parlour Co., Ltd., IPSA Co., Ltd., FT Shiseido Co., Ltd., and Japan Retail Innovation Co., Ltd.