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# Fill the Organization with “Attractive Talent”

Mid- and Long-Term Human Development and  
Support for Middle-Aged and Older Employees

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Shiseido Co., Ltd.

Mitsuo Takashige, Corporate Officer and  
General Manager of Personnel Department

# Corporate Profile

**Foundation**

**1872**

**Headquarters**

**Tokyo, Japan**

**Capital\***

**64.5 billion Yen**

\*As of April 1, 2010

**Employees\***

**40,600** (Japan:25,800, Overseas:14,800)



## Consolidated performance (FY2009)

**Sales**

**644.2 billion yen** (Overseas sales ratio: 36.9%)

**Operating income**

**50.4 billion yen**

# Business Line of Shiseido Group

## Domestic

### ◆Cosmetics (52%)

#### Counseling



#### Self-selection



#### Toiletries



### ◆Professional(2%)



### ◆Healthcare(2%)



### ◆Non-Shiseido/Mail-Order(4%)



## Overseas

### ◆Cosmetics (33%)

#### Global Brand S H I S E I D O



#### Non-Shiseido



#### China



### ◆Professional Use(5%)



**Others** ◆Frontier science business, restaurant operation, and others

※Note: ( ) shows the percentage of FY2008 consolidated sales

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SHISEIDO

# Today's Themes

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I

**Mid- and Long-term Human Development**

II

**Support for Middle-aged and Older Employees**

# Shiseido in Terms of Employment

## Turnover rate of new employees (career-track) for past 3 years

About 2% (Average 30% + among competitors)

## Service years

Male 18.4 yrs (Average 13.1yrs<sup>\*1</sup> among competitors)

Female 17.5yrs (Average 8.6 yrs among competitors)

## Items that gained higher scores than others in the Employee Satisfaction Survey

“Sense of fulfillment at work”

“Pride and loyalty to company”

“Attractiveness to employees”

Popularity among graduating college students <sup>\*2</sup> No.2

Best companies for employees<sup>\*3</sup> No.8

Sources:

<sup>\*1</sup> : Survey conducted by the Ministry of Health, Labor, and Welfare in 2008

<sup>\*2</sup> : Survey conducted by Mainichi Communications (University students who graduated in 2010)

<sup>\*3</sup> : Survey conducted by Nikkei Inc. in 2010 (Company ranking based on employee-related indicators)

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SHISEIDO

# Corporate Culture that Respects Human Power

- Once called “Shoseido (hall of scholars)”
- Recruited female employees as “beauty consultants” and contributed to the empowerment of working woman
- Established the “Training Department” that supervises all human development and training programs
- **THE SHISEIDO WAY** <Corporate Behavior Declaration>

- The diversity and creativity of our employees make them our most valuable corporate asset.
- We strive to promote their professional development and we evaluate them fairly.
- We recognize the importance of our employees’ personal satisfaction and well-being, and seek to grow together with them.

# The 3 Visions

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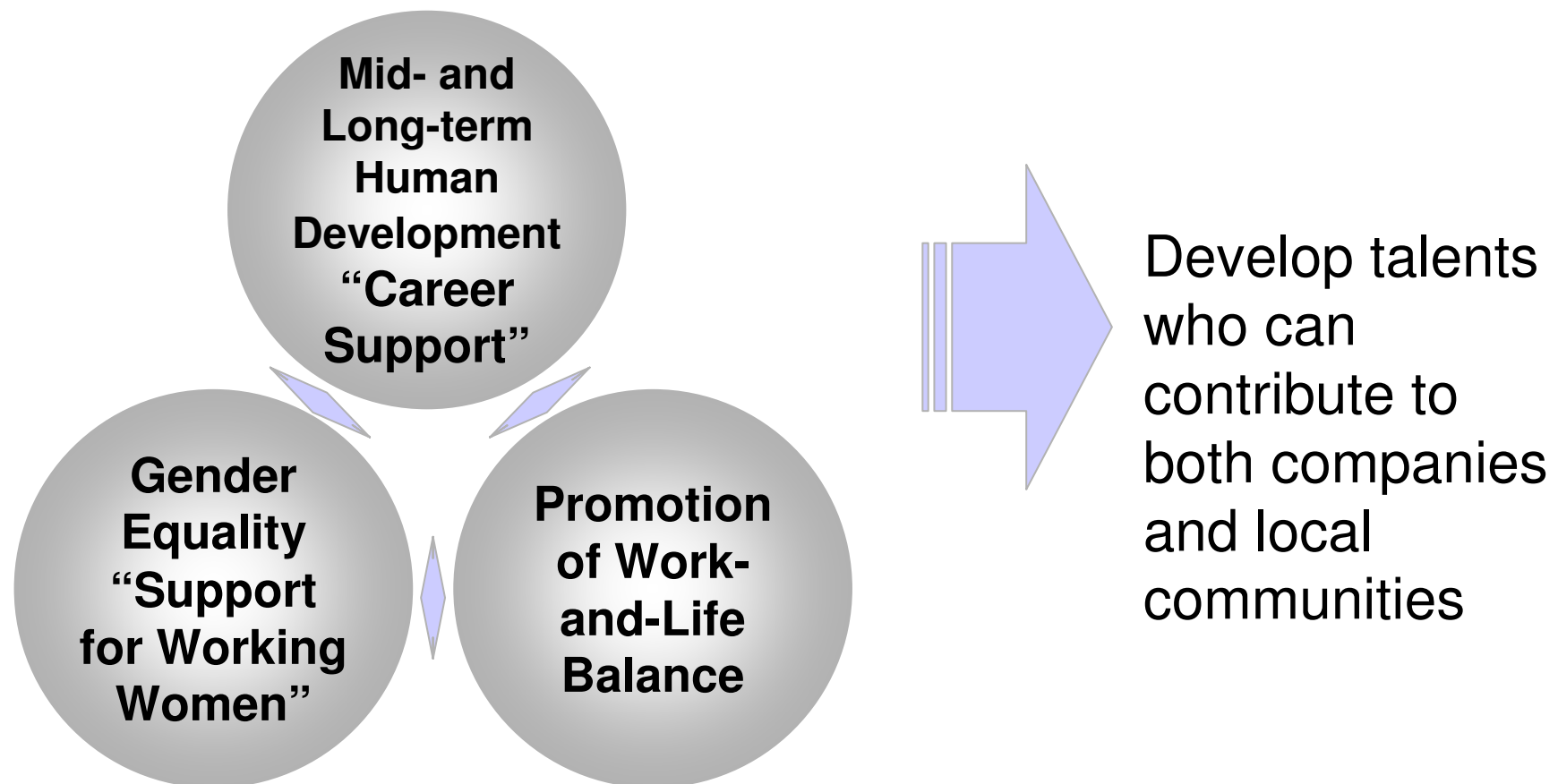
**Rebirth as a 100% Customer-Oriented Company**

**Brighten Our Brand:  
A Valuable Management Resource**

**Fill the Shiseido Organization with People  
with Own Appeal**

# Create Environments where Employees and Company Grow Together

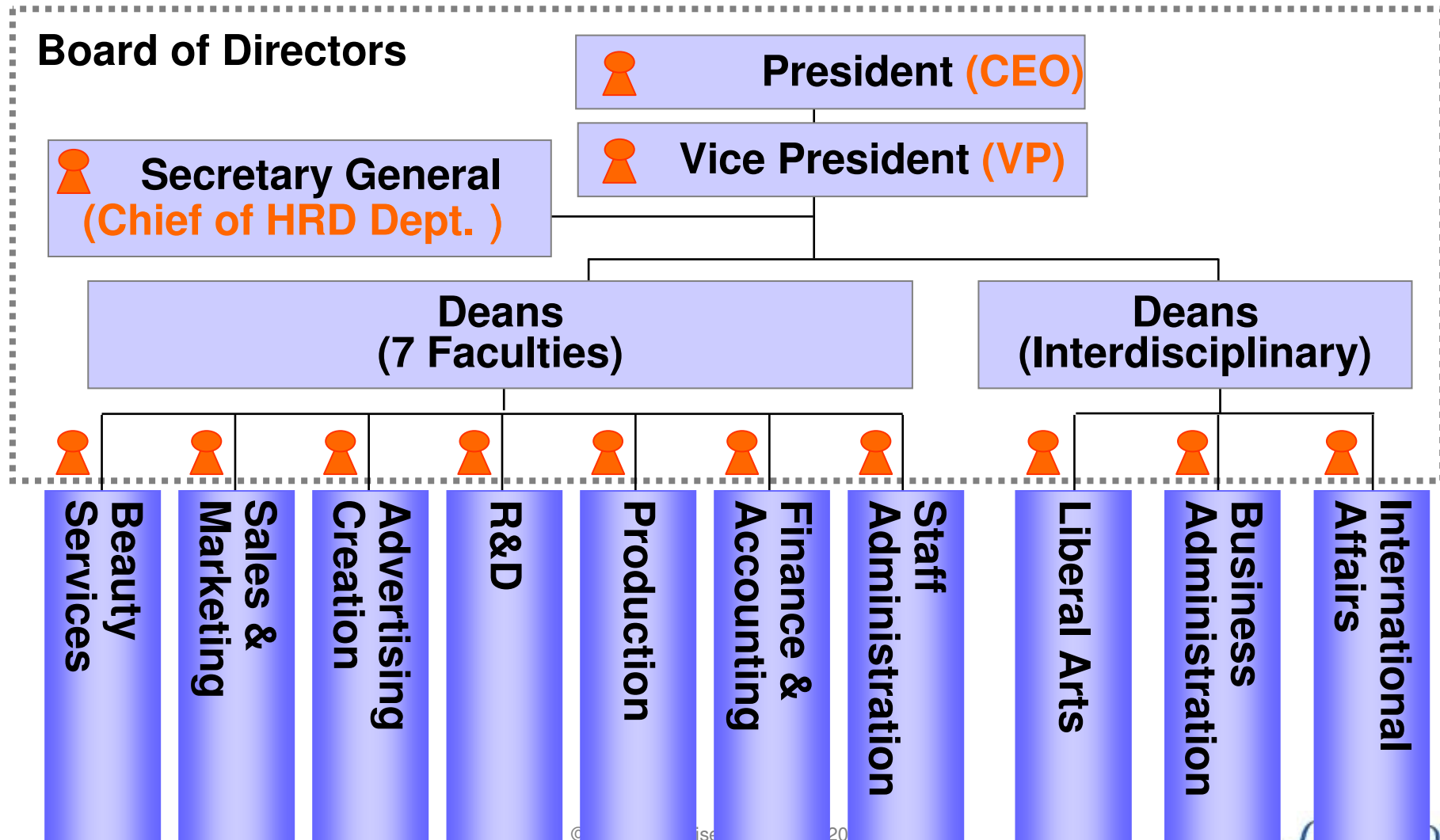
**Create Pleasant Working Environments and  
Help Every Employee Develop His/Her Ability**



# “Ecole Shiseido”



## Structure of the corporate in-house university “Ecole Shiseido”



# Scenes from Ecole Shiseido



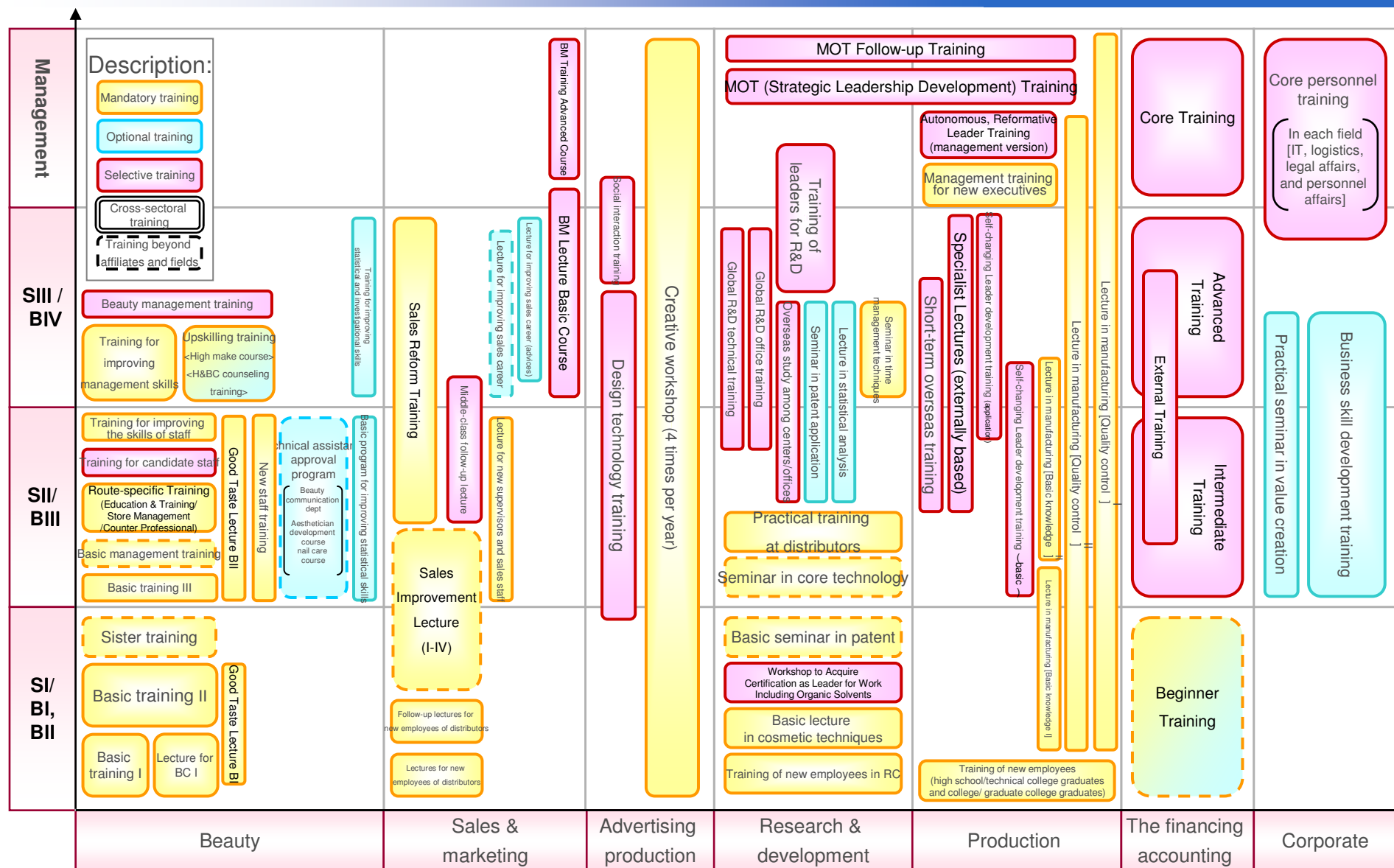
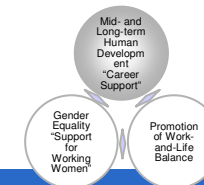
## Deans (officers) at the forefront of human development



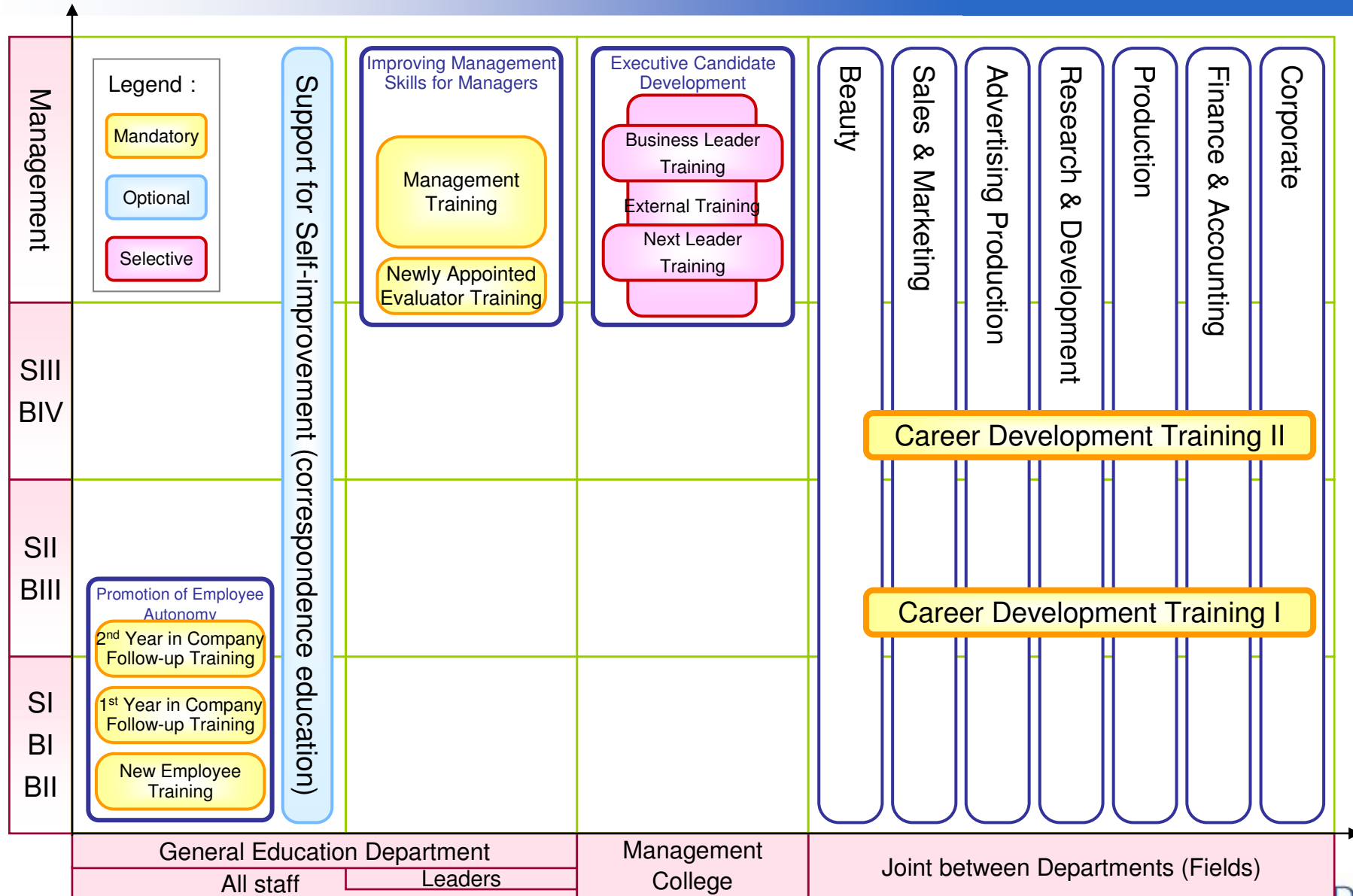
**Ecole de Hayama  
(Shiseido Training Center)**



# Field-specific training structure



# Hierarchal training structure



# Establishment of Career Design Center



Career Design Center to be established in 2011 to enhance career support for employees

## Basic Policy of Career Support

Foster awareness of independent career development

Increase the value in labor market

Offer various career opportunities

Energetic corporate culture on the principle of "work-and-you-will-be-rewarded."

## Example of Career Support at the Center

### ■ Career Design Seminars



Provide opportunities for middle-aged and older employees to take inventory of their skills and look ahead

### ■ Career Counseling



Provide career counseling services at the right time and in the right way (i.e., e-mail, letters, face-to-face meeting)

# Services to Child-rearing Female Employees



Systems introduced to help female employees balance their work and life (childbirth and parenting)

## In-house Day Care Center "Kangaroom"

"Kangaroom," a day care center, was established in a corner of the headquarters building. Also open to other companies in the area (2003)



## Kangaroo Staff Program

"Kangaroo Staff Program" was introduced to allocate temporary workers to cover beauty consultants who leave work for childcare in the early evening (2007)



# Promotion of Work-and-Life Balance



Review working style (i.e. long-hours of work) to allow employees to spend more time on outside activities

## Significance of Work-and-Life Balance Promotion

- Employees can gain information and values otherwise unavailable at the company and meet more people through outside activities.
- Employees can let fresh air into the company and encourage the creation of new values.
- Realizing work-and-life-balance is the simultaneous achievement of “personal well-being” and “company growth.”

### [Examples]

- Strict requirements of company-wide lights-out at 10 p.m. and in-advance application of overtime work
- Organizing “Work-and-Life Balance” Week several times a year to educate its importance
- Inclusion of “Review of Working Style and Improvement of Labor Productivity” as one of the managers’ evaluation items

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# Efforts for Post-Retirement Reemployment

Post-retirement reemployment system introduced to fully utilize the middle-aged and older workforce

## **Objective**

- To create environments where middle-aged and older employees can continue to work as long as they have motivation and ability and to build up an energetic corporate culture

## **Post-retirement reemployment system**

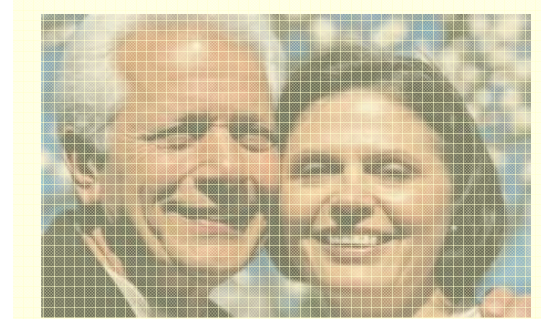
- To ensure employment until age 65 at which pensions are payable
- To reemploy the applicants who retire at 60 and then meet prescribed requirements

## **Senior expert system**

- To reemploy the talent with strong expertise after retirement and treat them in a way that matches their capabilities

# Support for Various Working Styles

- Support the second career for middle-aged and older employees
- Establish a family-care leave system and shorter working hour system



## **Flexible retirement system after age 45**

- Treat the retirement after age 45 the same as that at mandatory age
- Provide regular retirement benefit plus special benefit when a person meets prescribed requirements

## **Measures to help employees balance family-care and job**

- Family-care leave: Up to one year per one family member and at a time. Up to three years in all.
- Shorter-working time for family care givers: Up to 2 hours a day. Up to one year per one family member and at a time. Up to three years in all.

# Support for Activities in Local Communities

## Shiseido Life Quality Beauty Seminar

- Employees visit facilities for the elderly and the physically challenged to provide beauty seminars



Joined by a wide range of employees, including officers



Also actively running seminars overseas

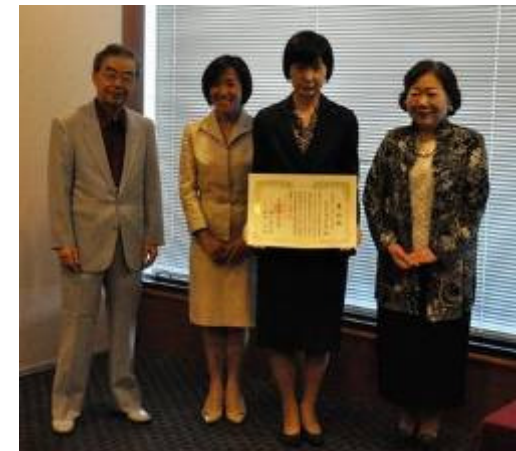
## Beauty Volunteer System

- Retired beauty consultants register for voluntary activities and help seminars
- More than 400 registrations
- More than 2300 participations in a year



Beauty volunteers working at seminars

Japan NGO Council on Ageing (JANCA) awarded Shiseido as the “Best CSR Company for an Aged Society” (May, 2010)



# Future Challenges

- It is necessary to allow ever more flexible work arrangements and conditions to utilize the skills and experiences of middle-aged and older employees and support various working styles.
- It is also important to improve environments and conditions that are appropriate and attractive to middle-aged and older employees.
- Declining childbirth and the aging population will accelerate the aging and shortage of labor force. It thus is critical to establish an organization that can adjust quickly to changing society, for example, by changing business processes and focusing on core businesses with the help of outsourcing.

This moment. This life. Beautifully. 