



(Translation)

October 27, 2009

Name of the Company:	Shiseido Company, Limited
Name of the Representative:	Shinzo Maeda President & CEO (Representative Director)
(Code No. 4911; The First Section of the Tokyo Stock Exchange)	
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Shiseido Inks Joint-venture Agreement with Gerolymatos Cosmetics S.A. in Greece

On October 23, 2009, Shiseido International Europe S.A. (headquarters: Paris, France), a wholly owned subsidiary of Shiseido Co., Ltd., concluded a joint-venture agreement with Gerolymatos Cosmetics S.A. (headquarters: Athens, Greece), a subsidiary of Alapis S.A.*, a cosmetics importer and seller located in Greece. The agreement paves the way for the establishment of a joint venture to strengthen sales of cosmetics in Greece.

Plans call for the joint venture Shiseido Hellas S.A. to start operations in January 2010. The new company will sell the global brand *SHISEIDO* that is available in markets worldwide.

By undertaking direct operations through a joint venture, Shiseido, which began selling its cosmetics products in the Greek market through a distributor in 1991, is seeking to establish a sales organization that is intimately connected to the market, and ultimately to increase sales by creating an enhanced presence for the *SHISEIDO* brand.

Initiatives in the overseas cosmetics business

Shiseido is seeking to become “*a global player representing Asia with its origins in Japan.*”

To achieve this goal Shiseido has launched a number of initiatives targeting its overseas cosmetics business as a major driver of growth, by working on the expansion of operations in new and emerging markets, at the same time as enhancing operations in existing markets. As examples of the former, the company made its first foray into the African continent by entering the Egyptian and Moroccan markets during the first half of the 2009 fiscal year, and it has also expanded sales channels in the emerging markets of Laos in Southeast Asia and Azerbaijan in Central Asia. As an example of the latter, Shiseido is working to transform its business structure to enhance operations, as illustrated by a 2008 shift in sales in Russia from a distributor to a wholly-owned subsidiary. The new joint venture agreement in Greece is an example of the latter type of initiative intended to strengthen operations in existing markets.

Background

In Greece, where some 20 years have passed since Shiseido entered the market in 1991, the company has been under pressure to pursue its business in a more dynamic and proactive manner in response to recent changes in the market. As part of its effort to establish a sales organization that is intimately connected to the market, Shiseido ultimately elected to pursue a joint venture agreement with Gerolymatos Cosmetics, one of the leading companies in the Greek cosmetics market, as a business partner that combines an intimate knowledge of local marketing and business practices with exceptional expertise in prestige cosmetics sales.



Marketing plan

Most sales of prestige cosmetics in Greece are sold in a counseling-based approach. Whereas most European markets are characterized by fragrances oriented needs, skincare products play a larger role in the Greek market.

In order to strengthen counseling-based sales with a focus on skincare cosmetics, the new company will enhance the level of customer service provided by Beauty Consultants and develop a robust sales organization.

Reference

Overview of Joint Venture

<Shiseido Hellas S.A.>

Company name: Shiseido Hellas S.A.
Location: Athens, Greece, to be confirmed
Establishment: November 2009
Capital: 3.5 million euros
Investment ratio: Shiseido International Europe S.A. 51%, Gerolymatos Cosmetics S.A.49%
Representative: Mr. Lazaros Sakellariou
Main business: Import and sale of global brand *SHISEIDO* products in Greece

*Hellas is the ancient Greek name for Greece.

•Shiseido International Europe S.A.

Company name: Shiseido International Europe S.A.
Representative: Yoshiaki Sato
Capital: Approx. 250 million euros (wholly owned subsidiary of Shiseido)
Location: 11, Rue du Faubourg Saint-Honoré 75008 Paris, France
Main business: The Shiseido Group's European holding company

•Gerolymatos Cosmetics S.A. (Subsidiary of Alapis S.A.)

Gerolymatos Cosmetics is a cosmetics company based in Athens, Greece. Its activities involve the import, and sales of cosmetics, as well as the provision of associated services such as counseling. The company's portfolio also includes beauty and health food products, over-the-counter medicines, and other items.

*Alapis S.A. is a large group company involved in the manufacture and distribution of pharmaceuticals and parapharmaceutical products, veterinary pharmaceuticals, cosmetics and detergents in Greece.

Category of Global Brand *SHISEIDO*

Skincare, makeup, suncare, body care, fragrance and men's cosmetics products, etc.

Principal product lines include *SHISEIDO Future Solution LX* (launched globally from September 2009), *SHISEIDO The Skincare*, *SHISEIDO Bio-Performance*, *SHISEIDO Benefiance*, *SHISEIDO White Lucent*, *SHISEIDO Pureness*, *SHISEIDO Makeup*, *SHISEIDO Suncare* (body care), *SHISEIDO Body Creator* (body care), *SHISEIDO Zen* (fragrance), *SHISEIDO Men* (men's cosmetics products), etc.



Strategies to become a global player representing Asia with its origins in Japan

1) Innovating the global brand SHISEIDO:

Following the launch of a new makeup line in January 2009, initiatives have been implemented that include remodeling the functions and design of counters as a means of integrating the image of the *SHISEIDO* brand as a high quality, highly functional and global prestige cosmetics brand at stores along with strengthening communication capabilities. Additionally, efforts are being directed toward improving the counseling skills of approximately 9,000 Beauty Consultants worldwide (excluding Japan).

2) Development of the City Concept strategy:

Under the City Concept, the world's major markets are considered as city-based rather than country-based units, whereby management resources are concentrated on target cities directed toward enhancing the presence of the *SHISEIDO* brand and realizing ripple effects on a group-wide basis.

3) Expansion of operations in New and Emerging markets:

Along with such efforts as commencing sales via a subsidiary in Russia in 2008, Shiseido products are gaining a high reputation from customers, thereby successfully penetrating Shiseido's image as a prestige brand equivalent to relevant global competitors. In conjunction with penetration into new and emerging markets, with regard to markets in which Shiseido has already entered, future plan calls for undertaking various measures that include the strengthening of business schemes such as direct marketing by Shiseido's sales subsidiaries.