



July 1, 2016

(Translation)

Dear Sirs and Madams,

Name of Company: Shiseido Company, Limited

Name of Representative: Masahiko Uotani
President and CEO
(Representative Director)

(Code No. 4911; The First Section of the Tokyo Stock Exchange)

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Corporate Communication Division
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Notice of Signing a License Agreement with DOLCE&GABBANA S.R.L.

(June 30, 2016 – Tokyo) Shiseido Group announced today that Beauté Prestige International S.A. (“BPI”, Headquarters: Paris, France), which is in charge of the fragrance business of Shiseido Group EMEA (Europe, Middle East and Africa), has signed an exclusive global license agreement with DOLCE&GABBANA S.R.L. (“D&G”: Headquarters: Milano, Italy), the owner of the Italian luxury fashion brand, regarding the development, manufacturing and distribution of its fragrance, makeup and skincare products. BPI will start the business activities that are stated in the agreement on October 1, 2016.

1.Objectives of the License Agreement

Shiseido Group is at a three-year (2015-2017) stage of rebuilding its business foundations, based on its mid- to long-term strategy, VISION 2020. With this license agreement, following the acquisition of Gurwitch Products, LLC in the U.S., Shiseido Group will accelerate its global growth by strengthening its brand portfolio in the global prestige business domain.

This license agreement with D&G will enhance Shiseido Group’s fragrance category, which is of special importance in Europe among the key three categories of the beauty market, and improve the functions of the Center of Excellence* for Fragrance that is owned by Shiseido Group EMEA.

At the moment, DOLCE&GABBANA brand offers beauty products centering on fragrance, however, in line with this agreement, Shiseido Group will expand their makeup lines and develop skincare products through leveraging its advanced technology and product development capabilities going forward, and will also expand global sales by reinforcing their presence in the Asia and China



markets making full use of its global distribution network. Meanwhile, Shiseido Group, through this agreement with D&G, which dominates the global fashion industry due to its outstanding creativity and design, will increase its brand value by creating and offering a new value through the collaboration of two major companies of Japan and Italy which treasure their sense of fashion and design, as well as cultural heritage.

This license agreement was led by Shiseido Group EMEA, aligning with the Shiseido Group strategy of enhancing the prestige business domain, and with it Shiseido Group will create synergies by leveraging the capabilities of the EMEA regional organization. In addition to that, it will develop and offer unique, new value-added products worldwide and accelerate sales growth. Shiseido Group EMEA will smoothly take over the business operations from October 1, 2016 by signing the transition services agreement with the current licensee.

*Center of Excellence: With the aim of nurturing globally competitive brands, Shiseido Group pursues the Center of Excellence strategy in which each center (for skincare in Japan, for makeup and digital marketing in New York, and for fragrance in Paris) will capitalize on its capabilities and expertise in global marketing while leading data collection, information gathering, strategy planning and product development that yield cutting-edge results in its designated field with world influence.

2. Prospects for the Future

The effect of this agreement on our consolidated financial results for the fiscal year ending December 31, 2016 is expected to be minor.

About DOLCE&GABBANA Brand

DOLCE&GABBANA was established in Milan in 1985 by Domenico Dolce and Stefano Gabbana; henceforth the brand has had a strong presence in the luxury fashion market worldwide. With its cultural roots and strong identity, it became one of the most influential brands in the fashion and beauty industries. The sales of fragrance and cosmetics businesses that are covered in this agreement totaled approximately 400 million euros in 2015.

Summary of License Agreement

- Parties to This Agreement: Licensor: DOLCE&GABBANA S.R.L.
Licensee: Beauté Prestige International S.A.
- Details: License Agreement on the development, manufacturing and distribution of fragrance and cosmetics under the DOLCE&GABBANA brand name
- Effective Date: October 1, 2016

Summary of DOLCE&GABBANA Brand Cosmetics Business

- Net sales in FY2015: 400 (€ in millions)
- Major Fragrances: DOLCE, THE ONE, THE ONE FOR MEN, LIGHT BLUE, LIGHT BLUE FOR MEN
- Key Sales Channels: Japan: Department stores and company stores
Overseas: Department stores, perfumery, duty-free shops, and company stores

Summary of D&G

- Company name: DOLCE&GABBANA S.R.L.
- Location: Milan, Italy



- (3) Establishment: 1985
- (4) Businesses: Manufacturing and distribution of high-end fashion, small leather goods, shoes, jewelry and watches, and license business for fragrance and cosmetics products, etc.

There is no capital, personnel or business relationship between D&G and Shiseido Group.

Summary of BPI

- (1) Company name: Beauté Prestige International S.A.
- (2) Location: Paris, France
- (3) Establishment: 1990
- (4) Principle owner: 100% owned by Shiseido Company, Ltd. through its subsidiary
- (5) Fragrance Brand Ownerships: ISSEY MIYAKE, narciso rodriguez, ELIE SAAB, Azzedine Alaïa, and Zadig & Voltaire

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