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(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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Notice of the Joint Venture with JP-HOLDINGS, INC. on Operation of Nursery

Notice is hereby given that Shiseido Company, Limited (“Shiseido”) will establish a joint venture with JP-HOLDINGS, INC. (“JPHD”, Headquarters: 3-15-31, Aoi, Higashi-ku, Nagoya, Aichi), with focus on entrusted operation of in-house nursery, scheduled to start its operation in February 2017. The newly established company will engage in business activities of setup consulting and entrusted operation of in-house nurseries (*), thus creating childcare infrastructure that supports healthy child development and ensures optimal balance between work and childrearing for adults. The shareholding ratio in the new joint venture is Shiseido 51% and JPHD 49%.

* In-house nurseries (here): describes any kind of nursery facility operated by a company or on the premises of a company, regardless of its operating license.

1. Purpose of establishing the joint venture

With the aim of accomplishing the corporate mission of “inspiring a life of beauty and culture”, Shiseido has been developing various businesses to help women to live a beautiful fulfilling life. Meanwhile, Future Creation Center, a business department in Shiseido headquarters engaged in developing the picture of the company’s future towards realizing the mid- to long-term business plan VISION 2020, implemented an internal initiative, Future Creation Marathon to discuss with employees nation-wide about the future goals of Shiseido. Through this activity, we learnt that many of the employees who had struggled to keep a good balance between work and childrearing think that the company should be involved in offering new values for those who find themselves in the same situation.

In line with this action, Shiseido has conducted hearings with consumers, childcare-related



professionals, government, academia, medical institutions and NPOs to solve the issues. These hearings revealed that female employees receive inadequate support, especially at the time of pregnancy and childrearing, and we reached the conclusion that in-house nurseries could help to create a harmonious life rhythm for both children and parents. In this regard, Shiseido has decided to engage in childcare business, believing that companies could offer such values to their employees through in-house nurseries.

Shiseido regards JPHD, which has expertise in childcare and acts as a leading company in the childcare business, as a valuable partner. This agreement of joint venture was reached as JPHD had the same standpoint and was also seeking new value creation in the areas of childcare and working life.

2. Outline of the joint venture

The sense of security about work and childrearing and a good balance between the two is important for both men and women in order to create a society where anyone can take an active part. However, Japanese society today is facing big issues as women struggle to return to work due to lack of nursery and lose work opportunities.

With “to inspire a life of beauty and culture” as its corporate mission, Shiseido aims to play the role of a close life partner for women. In sync with this aim, the new company will provide enterprises interested in in-house nursery operation with such Shiseido’s experience and know-hows as balancing work and childrearing and internal female empowerment system, as well as JPHD’s expertise in childrearing support. At the same time, the new company will cooperate with Doshisha University Center for Baby Science to conduct researches on behavioral development of children and will aim to create an appropriate life rhythm for both children and parents.

At present, Shiseido is planning to set up a new in-house nursery on its Kakegawa factory site in autumn 2017, and has applied for “Company-led childcare business” program of the Cabinet Office. This in-house nursery will be the first project of the new company. The nursery will be available not only for Shiseido employees but also for residents of the neighboring areas. Going forward, the new company will offer services nationwide through entrusted operations with various companies.

3. Future outlook

We believe that the aforementioned Joint Venture has only minor effects on the consolidated financial results of the Shiseido Group for the fiscal year ending December 2016.

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