



February 20, 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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Notice of Completion of the Setup of Joint Venture, KODOMOLOGY Co., Ltd. to Promote Childcare Business

Shiseido Company, Limited (hereinafter Shiseido) and JP-HOLDINGS, INC. (headquartered in Nagoya-shi, Aichi; President and CEO: Kazuhiro Ogita, hereinafter JPHE) established a joint venture, KODOMOLOGY Co., Ltd. (hereinafter KODOMOLOGY) on February 20, 2017 with a business focus on entrusted operation of in-house nursery schools.

The name of the new venture, KODOMOLOGY, is coined from *kodomo* (meaning “child” in Japanese) and *-logy* (“theory, science”) to express the commitment for a scientific approach to support the growth of children and share the acquired expertise with nurseries, families, and companies, aiming to realize a society that provides a comfortable rhythm of life for both children and adults.

1. Details of KODOMOLOGY Business

KODOMOLOGY will provide companies with consultations on the setup of in-house nurseries and promote entrusted operation of such facilities. This is based on the belief that in-house nursery can create new value through offering services that foster the sound growth of children as well as the work-life balance of their parents who work for the cited companies. While placing priority on supporting the growth of children, KODOMOLOGY will offer facilities tailored to the needs of each company, engage in



balancing work and childrearing, create a new corporate culture, and improve corporate values.

Shiseido has been implementing various initiatives to support the work-life balance of working parents, including launching an in-house nursery, Kangaroom Shiodome in 2003. At the same time, JPHD has expertise in childcare and is a leading company in the childcare business in Japan. While utilizing the corporate capabilities of both Shiseido and JPHD, the companies will establish KODOMOLOGY INSTITUTE to promote studies of children's behavioral development. Meanwhile, in a partnership with external institutions including universities and private enterprises, KODOMOLOGY will explore new possibilities and accumulate knowledge on the periods before and after childbirth as well as childrearing to provide support in the sound growth of children.

Shiseido aims to accomplish the corporate mission of “inspiring a life of beauty and culture” and to help women to live a beautiful fulfilling life. JPHD pursues “the happiness of children” through its operations. Based on these corporate philosophies, this joint venture is set up as a part of the companies’ new value creation initiatives. KODOMOLOGY will strive to support a good work-life balance and create a society where everyone can live a fulfilling life.

2. Background of KODOMOLOGY Establishment

Japan has been experiencing a change in lifestyles such as increase of nuclear families and double income families and promotion of female employment. At the same time, the Japanese society today is facing issues as women struggle to return to work due to lack of nursery schools and lose work opportunities, although the number of nurseries and places in them is on increase.

While the society is seeking for further solutions to the problem, the Japanese government introduced a new “Company-led childcare business” program since April 1, 2016, which is gaining public attention. The program offers support to in-house nurseries operated by enterprises at the same level as to licensed nurseries.

3. Company Overview

Name	KODOMOLOGY Co., Ltd.
Address	7-5-5 Ginza Chuo-ku, Tokyo
Established	February 20, 2017 (Monday)
Capital	100 million yen
Shareholding ratio	Shiseido 51%, JPHD 49%
Business	Consultations on the setup of in-house nurseries and entrusted operation of nurseries
Representative	Sadayo Kobayashi (seconded from Shiseido)
Corporate Officers	5 Directors (3 from Shiseido and 2 from JPHD) 1 Internal Auditor (from Shiseido /part-time)

*The term “in-house nursery” in this press release describes any kind of nursery facility operated by a company or on the premises of a company, regardless of its operating license.



4. Future outlook

We believe that this matter has only minor effects on the consolidated financial results of the Shiseido Group for the fiscal year ending December 2017.

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