

(Translation)

November 8, 2017

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 Acquisition of Giaran Inc.

—Obtaining AI Technologies and Expertise in Individualized Beauty Customization—

November 7, 2017 (November 8 JST) – Shiseido Company, Limited (“the Company”) hereby announces that its regional headquarters and consolidated subsidiary, Shiseido Americas Corporation (Delaware, USA; “SAC”), has acquired Giaran, Inc. (Massachusetts, USA; “Giaran”), a U.S.-based company.

1. Purpose of the acquisition

The Company will utilize the outstanding digital technologies of Giaran, starting with its leading artificial intelligence (AI) platforms, to transform the consumer experience and take personalized beauty to the next level.

Specifically, Giaran will work in close cooperation with MATCHCo, a U.S.-based beauty personalization startup which joined Shiseido Group in January 2017, to further enhance the Company’s digital capabilities. At the same time, it will fuse the Company’s innovation capabilities in order to create new products and services, offer consumers new encounters with Shiseido’s brands, and deepen relationships with consumers.

2. About Giaran

Founded in 2016 as a spinoff from Northeastern University’s Synergetic Media Learning Laboratory by scientist and world-renowned AI expert Raymond Fu, Giaran is powered by AI technology, such as computer vision, big data, and augmented reality, and creates novel algorithms of deep learning, data mining, and predictive modeling. Current technology within Giaran includes Makeup Virtual Try On, Tutorials, Color Matching, Personalized Recommendations, Makeup Removal, Face Tracking, and Skin Tone Detection. The technology can be used across mobile, tablet and desktop as well as through a smart mirror powered by full HD augmented reality.

3. Post-acquisition integration

Giaran will remain based in Boston, Massachusetts and will become part of the Company’s Makeup Center of Excellence, where it will also work closely with its Global Digital Center of Excellence (both based in New York) and its global technology team in the Tokyo headquarters, in order to enhance the development of Giaran’s technology. Giaran will operate in sync with and supplement MATCHCo, and the Americas Innovation Center, the Company’s research and development facility. Giaran will leverage its simulation technology across the Company’s portfolio and further expand its capabilities in beauty customization, all with the goal of driving consumer engagement and providing an unmatched consumer experience.



4. Future outlook

The Company believes that this matter has only minor effects on its consolidated financial results for the fiscal year ending December 2017.

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