



(Translation)

January 12, 2018

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 “Second Skin” Technology from Olivo Laboratories —Artificial Skin Formation Technology “Second Skin” Instantly Tightens and Smooths Skin—

Shiseido Company, Limited (Tokyo Stock Exchange, First Section: 4911; hereinafter “Shiseido”) has announced that its consolidated subsidiary and regional headquarters for the Americas, Shiseido Americas Corporation (headquartered in Delaware, USA), signed an agreement and completed all procedures to acquire the assets associated with the pioneering XPL™ (Cross-linking Polymer Layer) technology, “Second Skin,” and its related businesses from Olivo Laboratories, LLC (headquartered in the Commonwealth of Massachusetts, USA; CEO Amy Schulman; hereinafter “Olivo”) on January 11, 2018 (January 10, EST).

1. About Olivo and Second Skin

Olivo was founded in 2015 by Dr. Robert Langer*, the world's leading authority in dermatology, professor at the Massachusetts Institute of Technology (MIT); Dr. Dan Anderson at MIT; and Dr. Rox Anderson at Massachusetts General Hospital. By layering special emulsion onto polymer-based cream, Olivo's patented “Second Skin” technology creates a flexible artificial skin, which delivers immediate skin rejuvenation results previously unachievable through traditional cosmetics or cosmetic surgery, such as concealing wrinkles and sagging. The innovative technology was developed by Dr. Langer and other scientists with support from the healthcare technology-focused venture capital firm, Polaris Partners.

As a result of the transaction, the Olivo research and development team will join Shiseido Americas Corporation and support Shiseido Group's R&D activities.

Combining Olivo's “Second Skin” technology with Shiseido Group's research and development capabilities and global marketing networks will create operational synergies for a significant leap forward in emerging fields of the cosmetics business, offer various benefits to consumers worldwide, including instant correction of wrinkles and sagging, and propel the development of skincare and sunscreen products with long-lasting effects.

* Dr. Langer received more than 220 awards including the Charles Stark Draper Prize, United States National Medal of Science, Queen Elizabeth Prize for Engineering and the 2014 Kyoto Prize.

2. Background of the Technology Acquisition

Shiseido Group has been fostering innovations and creating entirely new categories of beauty products at a global scale as a part of VISION 2020, the Group's mid- to long-term strategy. In 2017, Shiseido already made a



number of additions to its innovation portfolio: the smartphone app-based personalized foundation technology startup MATCHCo, the artificial intelligence-empowered beauty company Giaran, and Shiseido-developed OPTUNE, a digital, personalized skincare platform.

In the years ahead, Shiseido will continue offering new value through innovative approaches in the beauty industry.

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.

<Summary of Olivo Laboratories>

- (1) Company name: Olivo Laboratories, LLC
- (2) Content of business: Development of the "Second Skin" technology
- (3) Established: 2015
- (4) Location: Cambridge, MA, USA
- (5) Representative: Amy Schulman

4. Future outlook

Shiseido believes that this acquisition has only minor effects on its consolidated financial results for the fiscal year ending December 2018, but that it will contribute to the business expansion of the Shiseido Group.

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