



(Translation)



November 7, 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)	
Contact:	Harumoto Kitagawa
	Department Director
	Investor Relations Department
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### **Shiseido Establishes Joint Venture in the Philippines**

- Accelerating Investments in Marketing through Integration of Prestige and Fragrance Businesses -

Shiseido Company, Limited (“Shiseido”) will establish a joint venture, Shiseido Philippines Corporation, to strengthen the cosmetics business in the Philippines. Shiseido Asia Pacific Pte. Ltd., a wholly owned subsidiary of Shiseido that manages business activities in the Asia Pacific region, and Luxasia Partners Pte. Ltd., a company headquartered in Singapore that runs a beauty & luxury distribution business in Asia, signed a contract for the joint venture. The new company will start operations in July 2019, and Shiseido Asia Pacific will hold the majority stake in the company.

Currently, Shiseido has two authorized distributors in the Philippines. However, the newly established Shiseido Philippines will sell products from all of Shiseido’s business categories across Prestige, Fragrance, Cosmetics & Personal Care to accelerate investments in marketing and increase sales.

#### **Background and purpose**

Under its “Prestige First” strategy, as part of the medium-to-long-term strategy “VISION 2020,” Shiseido is now aiming for global growth through marketing, with top priority placed on the prestige field, its advantage.

The Philippines boasts a population of more than 100 million, a high percentage of young people, and the third largest cosmetics market in rapidly growing Southeast Asia (approximately USD three billion based on our estimate). The prestige market is expected to continue its double-digit growth until 2020, and we have seen rapid expansion in the makeup category in particular. In addition, with the expanded rising middle class, Japanese brands have gained an advantage in the country, based on which we identify it as a market with high potential.

We will strengthen prestige brands such as “SHISEIDO,” “NARS,” and “Laura Mercier,” and roll out our cosmetics and personal care products, including face cleansers and sunscreens that are popular in Asian countries, at outlets including drugstores that have risen in the ranking of cosmetics sales channels for the middle-income class. Through such activities we aim to raise our presence in the Philippines, and going forward, contribute to the beauty of each individual consumer.



(1) Name	Shiseido Philippines Corporation
(2) Location	16/F NET CUBE CENTER, 3rd Avenue Corner, 30th Street E-Square Crescent Park West, Bonifacio Global City, Taguig, Philippines
(3) Business description	Importing, marketing, and wholesaling of Shiseido Group products in the Philippines
(4) Capital	PHP 580,000,000
(5) Date of establishment	December 2018 (scheduled)
(6) Investment ratio	Shiseido Asia Pacific Pte. Ltd., a wholly owned subsidiary of Shiseido, will hold the majority stake in the new company.

End of News Release