

(Translation)

February 4, 2019

Dear Sirs and Madams,

Name of Company: Shiseido Company, Limited
Name of Representative: Masahiko Uotani
President and CEO
(Representative Director)
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Shiseido Establishes a New Factory in Kurume City, Fukuoka Prefecture -Responding to Growing Demand and Further Business Expansion Inside and Outside Japan-

Shiseido Company, Limited (“Shiseido”) has decided to build a new production site, Shiseido Kyushu Fukuoka Factory (tentative name; hereinafter Kyushu Fukuoka Factory) in Kurume City, Fukuoka Prefecture, Japan. The new factory, which is slated to start its operation in fiscal 2021, will mainly manufacture skincare products for Japan and overseas markets. The investment is expected to be approximately 40-50 billion yen.

Background of production capability reinforcement.

Shiseido has been making concerted efforts as a whole toward the realization of even greater growth to accomplish the medium-to-long-term strategy VISION 2020 and to “Be a Global Winner with Our Heritage”.

As part of its production strategy, Shiseido is pursuing the establishment of a supply chain strategy from a global perspective in line with its Group-wide marketing strategy, and progressing in the creation of a flexible operational structure at each of its factories around the globe by taking into account various elements such as costs, lead time, inventories and procurement of raw materials. Amid such, the company has concluded that it is vital to establish a stable and sustainable production system from a medium-to-long-term perspective to respond to growing demand for cosmetics inside and outside Japan and secure further business growth in the future. To this end, Shiseido has decided to build another new factory following Nasu Factory and New Osaka Factory (tentative name) which are currently under construction. Investments in the production base including factories currently under construction, establishment of the new Kyushu Fukuoka Factory and reinforcement of existing factories are expected to exceed 170 billion yen.

Kyushu Fukuoka Factory

The new factory will focus on the production of skincare products which are growing in demand, and provide safe high-quality products in compliance with ISO 22716 international standards. As a next-generation factory, it will utilize cutting-edge facilities and advanced technologies such as IoT in the creation of innovation. Furthermore, through the inheritance of long-standing production technologies and expertise which are Shiseido’s strength, we will realize the new factory as people-friendly with high productivity. It will operate in an environmentally friendly manner while being able to support our business continuity plan (BCP), aiming to exist in harmony with the surrounding environment including mountains and rivers.



【Image of Kyushu Fukuoka Factory (tentative name)】

Outline of Kyushu Fukuoka Factory

Name	Kyushu Fukuoka Factory (tentative name)
Planned construction site	Kurume City in Fukuoka Prefecture (within Kurume, Ukiha industrial area)
Land area	Approx. 97,000 m ²
Building area	To be decided.
Floors	To be decided.
Products	Skincare products inside and outside Japan
Production capacity	140 million products (mid-size capacity out of 6 factories in Japan)
Investment	Approx. 40-50 billion JPY
Start of construction	FY2020
Start of operation	FY2021

* The above information may be subject to change.



<Reference>

List of Shiseido factories and their main productions (as of January 2019)

【6 factories in Japan】

Factory (establishment)	Location	Production
Kakegawa Factory (1975)	Kakegawa City, Shizuoka Prefecture	Mother factory for makeup products and hyaluronic acid, etc. (foundations, lipsticks, eyeshadows, etc.)
Osaka Factory (1939)	Osaka City, Osaka Prefecture	Mother factory for skincare products, etc. (facial cleansers, lotions, emulsions, creams, hair and body care products, etc.)
Kuki Factory (1983)	Kuki City, Saitama Prefecture	Mother factory for personal care and sun care products (shampoos, conditioners, sunscreen, etc.)
Nasu Factory (2019 planned)	Ohtawara City, Tochigi Prefecture	Supporting factories for skincare products, which are growing in demand
New Osaka Factory (tentative name; 2020 planned)	Ibaraki City, Osaka Prefecture	
Kyushu Fukuoka Factory (tentative name; 2021 planned)	Kurume City, Fukuoka Prefecture	

【8 factories overseas】

Factory (establishment)	Location	Production
Shiseido America, Inc. East Windsor Factory (1998)	New Jersey, U.S.	Production of global (skincare) products
Shiseido International France S.A.S. Unité de Gien (1991)	Gien, France.	Global products, (fragrance) products of Beaute Prestige International
Shiseido International France S.A.S. Unité du Val de Loire (1999)	Ormes, France	Global products, (skincare) products of Beaute Prestige International
Shiseido Liyuan Cosmetics Co., Ltd. (1993)	Beijing, China	Production of (skincare, makeup) products for China market
Shanghai Zotos Citic Cosmetics Co., Ltd. (1999)	Shanghai, China	Production of (skincare, makeup) products for China market
Shanghai Huani Transparent Beauty Soap Co., Ltd. (2011)	Shanghai, China	Production of products for China market and soaps for Taiwan market
Taiwan Shiseido Hsinchu Factory (2016)	Hsinchu County, Taiwan	Production of (skincare, makeup) products for Taiwan market and makeup products for ASEAN markets
Shiseido Vietnam Inc. (2010)	Bien Hoa City, Dong Nai Province, Vietnam	Production of (skincare) products for Japan and Asia markets

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