



(Translation)

April 28, 2021

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 Partial Termination of a License with DOLCE&GABBANA S.R.L.

Shiseido (“the Company”) announced today that Beauté Prestige International S.A.S. (“BPI”, Headquarters: Paris, France) which is in charge of global fragrance business under Shiseido Group EMEA (Europe, Middle East and Africa), and DOLCE&GABBANA S.R.L. (“D&G”: Headquarters: Milan, Italy) have agreed to partially terminate the exclusive global license agreement regarding the product development, manufacturing, distribution and marketing of its beauty products.

Such termination, which is subject to specific closing conditions, would be effective for all activities and markets with the exception of activities carried out from France on December 31, 2021. The license termination in France is under discussion to consider the option given by D&G and a proper local information and consultation processes with employee representatives will occur, in full alignment with French labor law.

In addition, both parties are currently discussing to pursue the production and distribution of D&G beauty products on a worldwide scale, for a minimum 12-month period.

1. Reason for partial termination of a license for Shiseido

The Company signed a global license with D&G effective from October 1, 2016, aiming for strengthening fragrance category which is of special importance in Europe and Americas beauty markets, and expanding its brand portfolio in the global prestige category.

This termination decision is in line with the Company’s medium-to-long-term strategy, WIN 2023 and Beyond, developed in response to the COVID-19 business impact. The Company will shift its focus from business growth via sales expansion to a focus on profitability and cash flow, aiming for an operating profit margin of 15% by 2023.

Please see below for details of WIN 2023 and Beyond.

https://corp.shiseido.com/en/ir/pdf/ir20210209_767.pdf



2. Date of partial termination of a license

Date of partial termination of a license: December 31, 2021, subject to closing conditions.

BPI is currently assessing the proposal made by D&G with regards to activities performed in France. In accordance with French labor legislation, proper legal processes with employee representatives are engaged.

Subsequent production and worldwide distribution agreements are under discussion and would come into force on January 1, 2022 for a 12-month period, renewable upon mutual agreement.

3. Future outlook

The effect of this partial termination on our consolidated financial results for the fiscal year ending December 31, 2021 is expected at approximately 35 billion yen of extraordinary loss, including impairment loss on trademark rights. Regarding our full-year guidance, including the impact of the personal care business transfer and other factors, the Company is planning to announce it at the first quarter results briefing of the current fiscal year scheduled for May 12, 2021.

- End of News Release -