

October 3, 2016 Shiseido Company, Limited Unicharm Corporation Lion Corporation

Shiseido Company, Limited, Unicharm Corporation and Lion Corporation Commence Cooperation for Store Maintenance

Shiseido Company, Limited (the Company), Unicharm Corporation, and Lion Corporation commence cooperation for store maintenance at retail stores, sales area development, and analysis of sales area data. Upon commencing the cooperation, part of the shares of Japan Retail Innovation Company, Limited, which is a wholly owned subsidiary of the Company and carries out store maintenance at retail stores, will be transferred to Unicharm and Lion to start a joint venture. Share ownership after the transfer of shares will be Shiseido 60%, Unicharm 20%, and Lion 20%.

Effect of the Cooperation

The cooperation of the three companies, each of which operates within a different core category, is expected to enhance the strengths of each company and produce synergy due to improved efficiencies and the complementing of categories.

(i) Efficient store maintenance

Improved efficiency in business activities can be achieved through the simultaneous display and maintenance of products of the three companies by personnel who utilize the expertise of the three companies and of Japan Retail Innovation Company, Limited. This will enhance the competitiveness of the manufacturers in the stores as well as the competitiveness of retail stores in a diversifying distribution market.

(ii) Creation of merchandising that appeal to retail consumers

Linking products of different categories in the sales area will enable promotion that fits well with the lifestyles of consumers, while eye-catching effects will be enhanced through the joint display of products of the same category, thereby developing a sales area that encourages spending through related displays.

(iii) Collection and analysis of big data at point of sale

Analyzing sales area data obtained at the stores and pertaining to attributes beyond product categories will lead to broad insights into the lifestyles, purchase behaviors, and product selections of consumers.

(Reference) Outline of Japan Retail Innovation Company, Limited

Japan Retail Innovation Company, Limited was established in July 2013 as a joint venture between the Company and Dentsu Retail Marketing Inc. with the aim of improving efficiency in store maintenance. They are in charge of arranging product lines depending on seasons, store maintenance including cleanup of products at stores, collecting information on the sales trends, etc. and visiting stores to deliver product information for various manufactures centering on the Company. Highly acclaimed for their professionalism and store maintenance quality.