

Shiseido Strengthens Strategic Partnership with A.S. Watson Group

Co-creating a Sustainable Future Through Beauty Innovations

(Tokyo/Hong Kong, 30 May 2019) Global cosmetics company Shiseido Company, Limited (Shiseido), and A.S. Watson Group (A.S. Watson), the world's largest international health and beauty retailer, entered a strategic alliance to form a 3-year plan to strengthen their strategic partnership and co-create beauty innovations to better meet the customers' surging demand for Japanese-beauty products.



Masahiko Uotani, Representative Director, President and CEO of Shiseido Company, Limited (left)
and
Dominic Lai, Group Managing Director of A.S. Watson Group (right)

Shiseido and A.S. Watson have been very close partners for years. Recently, the two Groups have co-created the exclusive product range of Urban Damage Care under Shiseido's sensitive skin care brand "d program". In April, Shiseido introduced "d program" into Watsons China and the exclusive partnership in China started with a remarkable success, tripling actual sales from expectation.

Coupled with Shiseido's strong R&D capability and leadership in Japanese beauty and A.S. Watson's scalable distribution platforms and sophisticated customer insights, the two Groups have agreed to further extend their strategic partnership.

Co-creating Future

Shiseido and A.S. Watson will continue to strengthen the co-development through the exclusive products of Za and Senka. More exclusive products of other brands will be in the pipeline in the near future, with the joint effort in big data analytics and customer insights to deepen the understanding on A.S. Watson customers and overall markets.

Unlocking Potential Markets

With an extensive network of over 3,600 stores in Mainland China serving over 70% of targeted female customers of the world's most populated country, A.S. Watson will help extend Shiseido's reach into China, and other operating markets including Indonesia and Philippines, which are one of the most potential markets for Shiseido's business growth.

Sustainable World of Japanese Beauty

With a common belief in making the world a better place, both Groups will contribute to the creation of more sustainable beauty through co-developing beauty innovations fuelled by both companies' expertise. The two Groups are dedicated to achieving the United Nation's Sustainable Development Goals (SDGs) together, such as Quality Education, Good Health & Well-being.

Strong Japanese DNA is deeply rooted in Shiseido and its core value. Shiseido and A.S. Watson will lead the Japanese-beauty trend and meet the huge customer demand for Japanese beauty products in Asia via co-creation.



Masahiko Uotani, Representative Director, President and CEO of Shiseido Company, Limited, says, "A.S. Watson and Shiseido share the vision that contributing to the creation of a better world through co-developing beauty innovations. We are very excited about the new step in our long-term partnership with the largest health and beauty retailer in the world. Our fascinating aspect of this partnership is that it keeps us innovating the beauty initiatives, addressing huge consumer demands in Asia on Japanese beauty products."

Dominic Lai, Group Managing Director of A.S. Watson Group, is excited about this partnership, "With our customer insights and global knowledge of the beauty industry, A.S. Watson is able to help its business partners enter new markets and engage the right customers efficiently. Riding on the successful launch of d program Urban Damage Care range, the co-creation of Shiseido and A.S. Watson, in countries and regions including China, Taiwan and Thailand, we are delighted to strengthen our partnership with Shiseido to enhance customer connectivity and drive Japanese beauty in our operating markets."

- ENDS -

About Shiseido Company, Limited

Shiseido was founded in 1872 as the first Western-style pharmacy in Japan. The business has been evolved and is now one of the largest beauty companies in the world. In fiscal year 2018, Shiseido recorded a net sale of US\$11.6 billion.

Shiseido Group has operations in over 120 countries and regions all over the world with a total of 46,000 employees in which nearly half of them are beauty consultants who provide counselling and other services in stores and counters. As a Japanese pioneer of advanced technologies and innovations for beauty, Shiseido offers more than 40 brands covering skincare, makeup, fragrance, professional hair and healthcare.

For more information, please visit <http://group.shiseido.com/>

For more information about Japanese Beauty, please visit Shiseido's Japanese Beauty Institute website <https://www.japanesebeauty.com/>.

About A.S. Watson Group

Established in Hong Kong in 1841, A.S. Watson Group is the world's largest international health and beauty retailer operating over 15,000 stores under 12 retail brands in 25 markets, with over 140,000 employees worldwide. For the fiscal year 2018, A.S. Watson Group recorded revenue of US\$21.5 billion. Every year, we have 5.2 billion shoppers in stores and online.

A.S. Watson Group is also a member of the world-renowned multinational conglomerate CK Hutchison Holdings Limited, which has five core businesses - ports and related services, retail, infrastructure, energy and telecommunications in over 50 countries.

Please visit www.aswatson.com for more in-depth information about A.S. Watson Group and its brands. You may also stay in touch with us via our digital presence (eCommerce, social media, mobile app & more); more details are at <http://www.aswatson.com/ourcustomers/digitalasw/>.