

Shiseido to Acquire DRUNK ELEPHANT™

Adds Innovative, Rapidly-Growing Prestige Skincare Favorite to Shiseido's Global Portfolio of Prestige Brands

TOKYO – October 8, 2019 – Shiseido Company, Limited (Tokyo Stock Exchange, First Section: 4911) (“Shiseido”) today announced that Shiseido Americas Corporation (“Shiseido Americas”), a subsidiary of Shiseido, has signed a definitive agreement to acquire DRUNK ELEPHANT™ (“Drunk Elephant”), a leading and fast-growing prestige skincare brand and a recognized expert in developing clean compatible and effective products. The acquisition of Drunk Elephant strengthens Shiseido’s leadership in the global prestige skincare market.

Drunk Elephant was founded in 2012 by Tiffany Masterson as a solutions-oriented, cross-generational brand for all skin types, and has since experienced exponential growth across a full range of consumer demographics, including Gen Z and Millennials. Its curated assortment of iconic hero products use biocompatible ingredients that directly benefit the skin’s health and support the integrity and effectiveness of the formulations. Drunk Elephant’s effective products, unique and playful brand voice, and strong community engagement have helped to build a loyal following, creating substantial room for further growth as it is introduced to more consumers around the world.

Drunk Elephant will be able to leverage Shiseido’s global platform and resources to expand into new and existing markets both in the Americas and internationally including Europe and Asia. Shiseido’s Global Innovation Center and Digital Center of Excellence will provide a wealth of expertise and a unique support network, maximizing Drunk Elephant’s opportunities for growth and development across all channels.

Masahiko Uotani, President and CEO of Shiseido, said, “We are thrilled to announce the acquisition of Drunk Elephant, one of the fastest-growing prestige skincare brands in history. This transaction is squarely aligned with Shiseido’s VISION 2020 goal of accelerating growth and creating value through strategic partnerships. Drunk Elephant’s approach strongly resonates with its highly engaged and loyal consumers, who value the integrity and effectiveness of Drunk Elephant’s formulations combined with a fun, curious approach. I am confident that under Marc Rey’s leadership in the Americas and Shiseido’s global platform and unique resources, we will strongly support Drunk Elephant on its ongoing growth trajectory. I am very pleased to welcome Tiffany and the Drunk Elephant team to the Shiseido Family and together, pursue our long-term mission of “BEAUTY INNOVATIONS FOR A BETTER WORLD”.

Marc Rey, CEO, Shiseido Americas and Chief Growth Officer of Shiseido, said, “This new and incredibly exciting partnership builds on Shiseido’s significant momentum and successful track record of acquiring distinctive, best-in-class brands. Drunk Elephant is changing the way people understand and experience beauty by offering products that are effective and clean compatible. Drunk Elephant is built on a strong brand foundation and a unique philosophy that fits perfectly with Shiseido’s values and skincare heritage. Our innovative and people-first cultures are well aligned, and we share an unwavering commitment to our consumers. I also believe the brand will contribute to the business performance of Shiseido Americas. We are thrilled to welcome Tiffany and the Drunk Elephant team to the Shiseido family and I know they will feel at home from day one.”

Tiffany Masterson, Founding Partner and Chief Creative Officer at Drunk Elephant, said, “I started this business as an industry outsider, and from the beginning I did things a little differently. To join with a powerhouse beauty company such as Shiseido that leads the industry in innovation and global excellence is a dream come true for me and for Drunk Elephant. We share similar values, most importantly an unwavering commitment to the consumer. I chose a partner who will let the brand continue to be itself, with the same formulations and the same team.”

The transaction was led by Shiseido Americas and the New York-based Shiseido Global M&A team, in close coordination with Shiseido Company, Limited, the company’s headquarters. Upon closing, Drunk Elephant will operate within Shiseido Americas, and Tiffany Masterson, Founding Partner and Chief Creative Officer of Drunk Elephant, will continue in her role as Chief Creative Officer and assume the additional role of President, reporting directly to Marc Rey. The transaction is subject to customary regulatory approvals and closing conditions and is expected to close before year end.

Jefferies LLC acted as financial advisor to Shiseido Americas, and Jones Day served as Shiseido Americas’ legal counsel. Financo and Moelis & Company, LLC served as Drunk Elephant’s financial advisors and Sidley Austin LLP as legal counsel.

ABOUT Drunk Elephant

Drunk Elephant was launched in August 2013 by Tiffany Masterson, a stay-at-home mom in Houston after doing extensive research searching for solutions to her own skincare concerns. From that research, she developed a unique philosophy and collection of products which quickly gained a global word-of-mouth following. Drunk Elephant is known for creating the Clean Compatible category and is beloved for powerful, effective, biocompatible formulas that help consumers achieve healthy, glowing skin. Drunk Elephant only uses ingredients that either directly benefit the skin’s health or support the integrity and effectiveness of the formulations. Drunk Elephant’s streamlined offerings, free of the Suspicious Six (Essential Oils, Drying Alcohols, Chemical Sunscreens, SLS, Silicones and Fragrances/Dyes) provide solutions-oriented skincare for all skin. Drunk Elephant is offered in select global markets. For more information, please visit www.DrunkElephant.com

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