

Notice of Completion of Acquisition of Drunk Elephant Holdings, LLC

On November 6 (November 7, Japan time), 2019 - Shiseido Americas Corporation (Head Office: State of Delaware, USA), a consolidated subsidiary and the Americas regional headquarters of Shiseido Company, Limited, has completed the acquisition of Drunk Elephant Holdings, LLC (Head Office: State of Delaware, USA, hereinafter "Drunk Elephant").

As a result of this transaction, Shiseido Group acquired *Drunk Elephant*, a brand that is expanding its best-in-class presence in the "Clean" market where the United States is leading. *Drunk Elephant* is a prestige skincare brand that strongly resonates with a diverse consumer base across demographics and genders, including younger generations of Millennials and Generation Z consumers.

Driven by its mission, "BEAUTY INNOVATIONS FOR A BETTER WORLD," the Shiseido Group aims to remain vital for the next 100 years and beyond. The addition of this brand on to our made-in-Japan prestige portfolio will further strengthen our prestige skincare business. *Drunk Elephant's* profitability will contribute toward the overall profitability of the Americas business.

In line with the global expansion of the "Clean" market, we intend to leverage our cross-border marketing expertise and global platform and expand Drunk Elephant into global markets including Asia. Additionally, this engagement will enable Shiseido Group to continue to build on our existing digital and D2C (Direct to Consumer) marketing.

The effect of this acquisition on our consolidated financial results for the fiscal year ending December 31, 2019 is expected to be minor.

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