

Shiseido Completes Nasu Factory, Production Base for Skincare Products for Japan and Overseas Markets

- Full operation commences on Tuesday, December 24, 2019 -

Shiseido Company, Limited (“Shiseido”) has completed the construction of Nasu Factory in Ohtawara City, Tochigi Prefecture as a manufacturing facility for medium-to-high-priced skincare products, which are growing in demand. The new factory will begin its full-scale operation on Tuesday, December 24, 2019, and add up to about 120 million items in production capacity. Shiseido invested approximately 35 billion yen in this new factory, the first in 36 years in Japan*1, to achieve high quality and respond to future technological innovations. Furthermore, Shiseido will promote further collaboration with suppliers to ensure the stable supply of raw materials and containers necessary for production, and aim to establish a stable production system in the medium to long term.



Features of Nasu Factory

The Nasu Factory serves as a manufacturing facility for medium-to-high-priced skincare products such as *ELIXIR* for Japan and overseas markets. In accordance with the international standard ISO 22716, the factory is designed and fully equipped to realize “high quality”, which is Shiseido’s strength, and offers a work environment where people supporting in delivering the high quality can work comfortably and grow further. Meanwhile, the Nasu Factory aims to act not just as a factory but as a communication base for Shiseido and its brands together with the people in the neighborhood.

1. Thorough pursuit of high quality

The new factory will create a clean production environment with strict quality standards and thorough quality control, and also introduce an IoT system that collects real-time information on the status of facility operation and links it with quality assurance. In addition, the factory will expand digitalized line management step by step with the use of tablets, electronic authentication, etc. and evolve as a factory that realizes high quality while quickly responding to the changing market in the future.

2. Pursuit of a workplace environment that embodies PEOPLE FIRST*2

With our belief that “people (employees)” are the foundation of high quality, the Nasu Factory will introduce unprecedented measures in its offices and labs. Given that more than 60% of employees at Shiseido are women, the new factory is designed to reflect the workplace reform initiatives from the female perspective and befitting a cosmetics company, such as upgraded canteens, toilets and changing rooms, and aims to be a factory in which employees can work with pride and excitement. Moreover, the Nasu Factory will establish the on-site “Technology Training Center” and “Technical Academy” as research and educational institutions for the purpose of handing down manufacturing techniques and technologies to achieve future growth.

3. Together with local people

The superior quality groundwater in Ohtawara City, which is one of the reasons for selecting the factory site, will be further refined and used in cosmetics at the Nasu Factory. The new factory will also use CO2-free electricity through the “Tochigi Furusato Electric” program with support from Tochigi prefecture to act as an environmentally friendly factory. In the meantime, the factory will be positioned as a communication base for Shiseido and its brands, with factory tours planned to start in 2020, in the hope that many consumers starting with those in the region can experience “the high quality and safety of Shiseido’s manufacturing”.

*1 In terms of existing domestic factories.

*2 Talent/organizational strategy in the company’s new three-year plan (2018-2020).

Principles of production base strategy

Shiseido is striving to achieve further growth with the aim to “Be a Global Winner with Our Heritage” as set forth in our medium-to-long-term strategy VISION 2020 (2014-2020). In terms of production base strategy, we are currently developing a supply chain strategy from a global perspective in align with the company-wide marketing strategy, and aiming to create a flexible responsive system at each of our factories around the globe by taking into account not only costs but various factors such as lead time, inventory, and raw material procurement. Furthermore, we will build a manufacturing system that leads the industry by creating a cutting-edge factory that incorporates the latest technologies such as IoT and AI and in which employees can comfortably work with pride. In order to respond to growing demand for cosmetics in Japan and overseas and to secure further growth in the future, we have concluded that it is vital to establish a stable production system over the medium to long term. To this end, following the Nasu Factory as a manufacturing facility for skincare products for Japan and overseas markets, the Osaka Ibaraki Factory (Ibaraki City, Osaka Prefecture) and Fukuoka Kurume Factory (Kurume City, Fukuoka Prefecture) are scheduled to commence operation in the second half of 2020 and the first half of 2022, respectively.

Outline of Nasu Factory

Name	Shiseido Nasu Factory
Address	Nakadawara 906-6, Ohtawara City, Tochigi Prefecture
Land area	109,062 m ²
Building area	3 floors above ground (steel-frame structure)
Products	Medium-to-high-priced skincare products for Japan and overseas markets
Production capacity	Approx. 120 million items per year (2022 forecast)
Investment	Approximately 35 billion JPY
Start of operation	December 24, 2019

<Reference>

List of Shiseido factories and their main productions (as of January 2019)

[6 factories in Japan]

Factory (year of establishment)	Location	Production (main products)
Takegawa Factory (1975)	Takegawa City, Shizuoka Prefecture	Makeup products, hyaluronic acid (foundations, lipsticks, eyeshadows, etc.)
Osaka Factory (1939)	Osaka City, Osaka Prefecture	High-priced skincare products (facial cleansers, lotions, emulsions, creams, hair and body care products, etc.)
Kuki Factory (1983)	Kuki City, Saitama Prefecture	Personal care products, sun care products (shampoos, conditioners, sunscreen, etc.)
Nasu Factory (2019)	Ohtawara City, Tochigi Prefecture	Supporting factories for skincare products which are growing in demand
Osaka Ibaraki Factory (planned in second half of 2020)	Ibaraki City, Osaka Prefecture	
Fukuoka Kurume Factory (planned in first half of 2022)	Kurume City, Fukuoka Prefecture	

[7 factories overseas]

Factory (year of establishment)	Location	Production (main products)
Shiseido America, Inc. East Windsor Factory (1998)	New Jersey, U.S.A.	Global skincare products
Shiseido International France S.A.S. Unité de Gien (1991)	Gien, France	Fragrance products
Shiseido International France S.A.S. Unité du Val de Loire (1999)	Ormes, France	Global skincare products, fragrance products
Shiseido Liyuan Cosmetics Co., Ltd. (1993)	Beijing, China	Skincare and makeup products for the regional market
Shanghai Zotos Citic Cosmetics Co., Ltd. (1999)	Shanghai, China	Skincare and makeup products for the regional market
Taiwan Shiseido Co., Ltd. Hsinchu Factory (2016)	Hsinchu County, Taiwan R.O.C.	Skincare and makeup products for the Taiwanese regional market, makeup products for the ASEAN markets
Shiseido Vietnam Inc. Vietnam Factory (2010)	Bien Hoa City, Dong Nai Province, Vietnam	Skincare products for the Japanese and Asian markets