

## Shiseido New Zealand Celebrates 30<sup>th</sup> Anniversary

This year marks the 30<sup>th</sup> anniversary since Shiseido formed its subsidiary Shiseido New Zealand Ltd. to manufacture and sell cosmetics in New Zealand. In addition to products that are sold and distributed worldwide, Shiseido New Zealand handles its own products that are manufactured locally, in turn promoting marketing activities suitable to the domestic market. Shiseido products are sold in approximately 230 stores and are ranked second<sup>1)</sup> regarding the scale of the market for cosmetics<sup>2)</sup> in New Zealand.

The 30<sup>th</sup> anniversary celebration is being held on August 28 in Auckland, New Zealand.

<sup>1)</sup> Data: CTFA (Cosmetic, Toiletry and Fragrance Association), Annual Sales Survey, 2000

<sup>2)</sup> Market for skincare, makeup and fragrance products, excluding haircare products. The scale of the market is estimated to be approximately ¥130 million.

### Background

Shiseido has expanded its sales channels overseas since it began selling cosmetics in Taiwan in 1957. Today, Shiseido products are sold in more than 60 countries. Shiseido began the selling and distribution of cosmetics in New Zealand in 1965 through an agent. In 1971, Shiseido New Zealand was established by Mr. Bruce Hood (a former employee of an enterprise called Spedding Ltd. which sold Shiseido and other manufacturer brands) to exclusively handle Shiseido products. In 1975, Shiseido Co., Ltd. acquired a 24.9% equity stake in the company, and thereafter, Shiseido New Zealand became a wholly owned subsidiary of Shiseido in 1989.

Shiseido also set up a factory in 1971 as a solution to high customs duties and import restrictions. Production of cosmetics for the domestic market has been expanded, and recently, foundations and sun-care products are manufactured and exported mainly to Australia, Thailand, Singapore, Malaysia, Indonesia and Hawaii. Further, Shiseido New Zealand has become a major production base in Oceania and South Asian regions.

### Marketing Efforts in New Zealand

Shiseido is currently implementing its “Global Multi-Brand Strategy” to meet the diverse needs of customers throughout the world. In New Zealand, Shiseido promotes prestige marketing of the *SHISEIDO* brand and fragrances such as *Parfums ISSEY MIYAKE* and *Parfums Jean Paul GAULTIER*, in addition to *Moisture Mist*

brand products targeting the middle class and *ZOTOS* brand haircare products for professional salon use. In particular, *Moisture Mist* was first manufactured locally and introduced in the market in 1979 as a makeup line under the *SHISEIDO* brand. By focusing on its expansion through pharmacies, *Moisture Mist* has been well received by many people. Accordingly, since March 2001, sales as an independent brand that also includes skincare products have been focused on further penetrating the full potential of the market.

In the future as well, Shiseido will continue to conduct marketing efforts that are in tune with the market through its Global Multi-Brand Strategy, with the aim of further expanding its market presence in New Zealand, as well as contributing to the development of domestic industries through the expansion of exports of locally manufactured products.

## [Reference]

### Company Overview of Shiseido New Zealand Ltd.

|                                 |                                                    |
|---------------------------------|----------------------------------------------------|
| Company name:                   | Shiseido New Zealand Ltd.                          |
| Location:                       | Auckland, New Zealand                              |
| Managing Director:              | Ichiro Morikawa                                    |
| Shares owned by parent company: | 100%                                               |
| Paid-in capital:                | 50,000 New Zealand dollars (about 2.6 million yen) |
| Year established:               | 1971                                               |

### Development of Business Operations in New Zealand

|      |                                                                                 |
|------|---------------------------------------------------------------------------------|
| 1965 | Began selling <i>SHISEIDO</i> brand cosmetics through an agent                  |
| 1971 | Established Shiseido New Zealand Ltd.<br>Set up factory for local production    |
| 1975 | Shiseido Co., Ltd. acquired 24.9% equity stake in Shiseido New Zealand Ltd.     |
| 1979 | Began selling <i>Moisture Mist</i> makeup line                                  |
| 1989 | Shiseido Co., Ltd. acquired total shares of Shiseido New Zealand Ltd.           |
| 1994 | Began selling <i>Parfums ISSEY MIYAKE</i> and <i>Parfums Jean Paul GAULTIER</i> |
| 1996 | Began selling <i>ZOTOS</i> brand haircare products                              |