

Shiseido Develops Global Initiatives to Mark the 140th Anniversary in 2012 and the Launch of “MIRAI TSUBAKI” Project

Shiseido Co., Ltd. will celebrate its 140th anniversary in 2012. Since its foundation in 1872, when it opened Japan's first Western-style pharmacy in the Ginza district of Tokyo, Shiseido has developed into a company that currently operates in 87 countries and regions worldwide, and is undertaking various initiatives in order to become a *“global player representing Asia with its origins in Japan.”* Accordingly, in gratitude to society and customers that have supported the Group up to the present and to enhance solidarity among Group employees throughout the world, in fiscal 2012, Shiseido will promote the following initiatives in order to realize its corporate mission of “creating a beautiful lifestyle culture.”

MIRAI TSUBAKI Project –

Group Employees Throughout the World to Conduct Social Contribution Activities

For this 140th anniversary occasion, from the anniversary of the founding on April 8 onwards, 45,800 Group employees worldwide will conduct social contribution activities according to their respective businesses and departments regarding women, cosmetics, culture and the environment based on the theme of “beauty creation” across the board. These will be referred to as activities of the MIRAI TSUBAKI project* and will be carried out to further deepen ties with society and customers through employee activities, and express gratitude to society and customers that have supported the Group until now.

*MIRAI TSUBAKI Project: The term MIRAI denotes the future and symbolizes Shiseido's spirit of innovation. TSUBAKI denotes a camellia, which has been used as the trademark of Shiseido over many years.

Product Launch Exclusively for the 140th Anniversary

Exclusive products in commemoration of the 140th anniversary are slated for launches in Japan and overseas. Although these items are to embody a contemporary style, they will also showcase the spirit of products representing the corporate culture that were popular during the Meiji and Taisho eras (1868-1926), and resulted from Shiseido's original manufacturing operations.

Spreading a Unified Image Through the 140th Anniversary Commemorative Logo and Strengthening Storefront Activities

For the one year of 2012, a commemorative logo for the 140th anniversary will be used in various ways, such as for advertising tools, websites and storefronts. The



logo's arabesque design motif, which has a strong correlation with Shiseido, expresses the "past" and "future" of Shiseido. Also, Shiseido will strengthen *omotenashi* (spirit of hospitality) carried out by Beauty Consultants (BCs) at storefronts. The Company will use the 140th anniversary as an opportunity for reminding people and sharing the purpose of BC activities handed down from Miss Shiseido since 1934. This will enhance counseling capabilities for the Shiseido Global Beauty Consultant Contest 2012 (to be held in July) that has been held once every four years since 2004, in which BCs throughout the world will participate. Additionally, Shiseido staff, including BCs, will wear badges designed with the commemorative logo for the 140th anniversary at the storefronts while initiatives will be promoted by taking into account the Customer-First Strategy, which is designated as one of the four growth strategies that are currently underway.

Overview of Shiseido Milestones Through 140 Years

Year	Events
1872	Arinobu Fukuhara founded Shiseido Pharmacy, Japan's first Western-style pharmacy.
1897	Entered the cosmetics business with the launch of <i>Eudermine</i> skin lotion using Western pharmaceutical theory.
1902	Introduced Soda Fountain (currently Shiseido Parlour) within the Shiseido Pharmacy in Ginza.
1915	Shinzo Fukuhara, Arinobu Fukuhara's third son, was appointed the first president. Adopted the HANATSUBAKI Mark as the Company trademark.
1916	Established the Design Department (currently Advertising Creation Department) and Laboratory (currently Shiseido Research Center).
1919	Established Shiseido Gallery.
1923	Introduced the voluntary Shiseido Cosmetics Chain Store System.
1927	Became a joint stock company and introduced a sales company system.
1934	Miss Shiseido (currently Beauty Consultants) debuted.
1937	Founded the Camellia Club for loyal Shiseido customers.
1949	Held Special Beauty Session (predecessor of the current SHISEIDO LIFE QUALITY BEAUTY SEMINAR), the first free beauty seminar at Morioka Branch Office.
1957	Commenced sales in Taiwan.
1961	Implemented the first Shiseido "Candy Tone" makeup promotion.
1965	Established Shiseido Cosmetics (America) Ltd. (currently Shiseido Americas Corporation)
1967	Launched the first total brand MG5 for men in Japan.
1973	Opened L'Osier French restaurant (earned Three-Star Rating in Michelin Guide from 2007 to 2009).
1980	Established Shiseido France S.A. (currently Shiseido Europe S.A.S.) and Shiseido Deutschland GmbH.
1981	Commenced sales in Beijing, China.
1990	Established Beauté Prestige International S.A. in France.
1996	Launched <i>Clé de Peau Beauté</i> .
1998	Launched <i>Za</i> .
2000	The U.S.-based NARS brand joined to Shiseido Group.
2004	Held Shiseido Global Beauty Consultant Contest 2004.
2006	Launched <i>TSUBAKI</i> . Established SHISEIDO LIFE QUALITY BEAUTY CENTER.
2009	Launched Shiseido Earth Care Project environmental activity for all Shiseido Group employees to participate in.
2010	Bare Escentuals, Inc. became a member of Shiseido Group. Launched <i>SENKA</i> .
2011	Established Shiseido Group corporate philosophy "Our Mission, Values and Way."

Shiseido Key History

Established as Japan's First Western-style Pharmacy in Ginza, 1872

The year was 1872, and the founder's name was Arinobu Fukuhara. Although Arinobu had a successful career as a pharmacist in the Navy, he resigned from this position and opened Japan's first Western-style pharmacy in Ginza, hoping to contribute to society in the medical and public health areas at the dawn of Japan's modernization through his knowledge of Western-style pharmaceuticals. In other words, Shiseido is "pharmaceutical-oriented."

The name Shiseido was taken from the verse of a classical Chinese text, "I Ching (Book of Changes)," which reads, "Praise the virtues of the great Earth, which nurtures new life and brings forth new values."

When deriving the company name from this poem, Arinobu Fukuhara must have been determined for the founding spirit to identify new values, create many new things one after another from such values, and contribute to society. In other words, the company name itself declares "new value creation."



Founder, Arinobu Fukuhara



The Shiseido Pharmacy in 1906

Eudermine, Shiseido's first cosmetic product in 1897



Eudermine in 1897

Shiseido entered the cosmetics business with Eudermine in 1897.

This is the first lotion developed based on a pharmaceutical formula.

The formula was developed by Nagayoshi Nagai (1845-1929), a doctor of pharmacology and "the father of modern pharmacology in Japan." He was one of Arinobu's friends. The fact that the first cosmetic product was an authentic lotion indicates the commitment to healthy and beautiful skin, unique to the company that started with pharmaceuticals. For your information, Eudermine is a term coined from "Eu (good)" and "derma (skin)" in Greek.

Installation of Soda fountain in 1902



Soda fountain in 1902

Arinobu Fukuhara was surprised by the fact that soda and ice cream were sold in drugstores in the US, where he stopped on the way from his visit to the Paris World Fair in 1900. Arinobu imported a soda machine from the US and established Japan's first soda fountain in 1902, which became very popular.

Shinzo evolved the soda fountain, originally located in the pharmacy, into the "Shiseido Parlour" that served authentic Western cuisine. The Parlour quickly became a new attraction in Ginza, and served as a social salon for prominent cultural figures. It still remains to be one of Ginza's attractions and is loved by many.



Shiseido Parlour in 1930



Shiseido Parlour

Today



L'Osier in 2007

Shiseido pursued the highest level of cuisine and opened "L'Osier," an authentic French cuisine restaurant, in 1973. The restaurant received three-stars from Michelin for three consecutive years from 2007, and is even said to be more French than restaurants in France. (Temporarily closed due to renovation of Head Office building until fall of 2013).

Origin of Shiseido's aesthetics and technology in 1916



Design Department in 1916

Shinzo's "richness" philosophy is embodied by the establishment of a Design Department.

Shinzo established the Design Department (current Advertising Creation Department) under his direct control in 1916, together with the "Laboratory."

Shinzo, who had studied in Europe and became familiar with art in Paris, placed great importance on design in corporate management and invited artists and designers to establish an original Shiseido design style. Shinzo managed the company by integrating his talents "as a scientist" and "as an artist."



Laboratory established on the 2nd floor of the Cosmetics Department in 1916



**Shiseido Research Center
In Shin-Yokohama, Today**

As represented by Eudermine, Shiseido has always pursued safety and produced cosmetics by using pharmaceutical formulations.

This "quality-first" attitude is the core of Shiseido's manufacturing.

Shinzo Fukuhara, the company's first president, separated the Cosmetics Department from the pharmacy in 1916, striving to become a full-scale cosmetics manufacturer. He established the "Laboratory" to perform quality control and safety checks of raw materials within the same year. The establishment of a research center by a then family-owned company was a strong indication toward the dedication to quality and safety.

“Miss Shiseido” in 1934—the Roots of Beauty Consultants



**“The Theater of Modern Beauty” performed
by “Miss Shiseido” in 1934**

The origin of Shiseido BCs traces back to the debut of “Miss Shiseido” in 1934. This appellation became the first official title denoted with “Miss” in Japan. Nearly 250 women applied for the position of “Miss Shiseido,” which was announced via a huge newspaper advertisement “seeking the daughter of a decent family.” Nine women selected as “Miss Shiseido” were expected to be intelligent, modern and elegant women making a splash at the forefront of society rather than the more conventional Japanese values of being a “modest daughter of a decent family.” After intensive training over a seven-month period at the Head Office in Ginza, which encompassed not only beauty techniques, customer service and sales techniques but also dermatology, the science of color, culture, arts, Western-style painting and vocal instruction, they appeared on stage to perform “The Theater of Modern Beauty” in major cities nationwide. This unique stage production introduced the latest beauty treatments and techniques through drama. After the play, they changed into Shiseido uniforms and gave beauty consultations to waiting customers, writing down their recommendation for the selection of cosmetics based on the skin type or preferences of each customer. These women were glamorous beauty icons while also working hard to advocate new “beauty techniques” promoted by Shiseido. It is within these activities conducted by “Miss Shiseido” that one finds the origins of beauty consultation and storefront activities of BCs today.

Overseas business started from Taiwan in 1957



Store counter in Taiwan, 1959

Shiseido's overseas advance went into full swing in the 1950s.

Starting with the establishment of Shiseido Taiwan in 1957, Shiseido established subsidiaries in Hawaii in 1962, the United States in 1965, Italy in 1968 (sales through agencies started in 1963), and finally France in 1980.

In China, the company started sales operation in Beijing in 1981. Shiseido initiated a technology partnership with the city of Beijing in 1983 and established a joint company with the city of Beijing in 1992.

This is how Shiseido's sales network spread through the world. It now includes 87* countries and regions including Japan.

*as of Dec. 2011



Store counter in Italy, 1968