Shiseido Co., Ltd. is set to expand THE HAIR CARE ADENOVITAL SCALP ESSENCE (hereinafter, “ADENOVITAL”; 180ml; suggested retail price in Japan: ¥6,000) in the Asian market through the Professional Business Operations Division. THE HAIR CARE premium hair care brand has been sold exclusively at select hair salons in Japan. ADENOVITAL became a major hit product achieving sales (shipment) of more than 700,000 units* as of the end of January 2012. In the hair salon industry, a product is usually considered a hit when annual sales reach 300,000 units.

In terms of deployment in Asia, ADENOVITAL will be introduced consecutively in five countries and regions, beginning with Thailand in March 2012 followed by Hong Kong, Taiwan, Malaysia and Singapore. The product will be handled at carefully selected luxury hair salons, targeting 1,500 stores during the initial year and aiming to expand to 5,000 stores by fiscal 2013.

* Number of products on a shipment basis, including 180ml product and 480ml refill product for professional use

Expansion of Hair Growth Market for Women in Japan
Research conducted regarding hair concerns of women in their 20s to 50s revealed a marked tendency for women in their 40s and older regarding concerns about changes that are mainly attributable to aging such as “having gray hair,” “hair losing resilience and strength” and “thinning hair.” (Survey by Shiseido Professional.; N=121; see page 3 for reference)

Additionally, according to an awareness survey conducted on women’s hair care, results obtained showed that needs for scalp care are growing significantly. In view of this, the market of hair growth agents such as a scalp essence for women is anticipated to expand steadily in response to the aforementioned concerns due to aging. (Needs for scalp care doubled over the course of a three-year period, increasing from 8% in 2007 to 12% in 2008 and 17% in 2009.) (Shiseido customer survey 2010 (n=360))

ADENOVITAL Scalp Essence Exclusively for Hair Salons a Major Hit
The Shiseido Research Center has been engaged in hair research since the launch of Flowline hair tonic in 1915. As a product formulated with Adenosine*, an in vitro substance that exists in the human body originally discovered by the Shiseido Research Center over the course of 15 years, and other ingredients such as Japanese and Chinese medical herb ingredients for nurturing beautiful hair, ADENOVITAL was launched in Japan from February 2011 as a product of THE HAIR CARE brand.
As for product sales, activities are being focused on conveying product value, including instructions for use, with a primary emphasis on hair stylist counseling. Although it was initially introduced at approximately 5,000 salons handling the product have currently expanded by six-fold to approximately 31,000 salons thanks to word of mouth of regular users and other support.

* Adenosine directly works on dermal hair papilla to activate a growth promoting factor essential for hair growth.

**Strengthening Asian Market through the Introduction of **ADENOVITAL**

Among the mainstream Asian market of women with black hair, women in their 40s and older have common concerns about hair.

Shiseido conducted research regarding hair and scalp concerns targeting women in the four cities of Tokyo, Shanghai, Chengdu and Bangkok. As a result, there was a marked tendency found in women in their 40s and older in which many of them commented that they have “gray hair,” their “hair is losing resilience and strength” and their “hair is thinning.” (Shiseido global customer survey 2010; n=821)

Consequently, in order to propose scalp care that addresses these concerns, **THE HAIR CARE ADENOVITAL SCALP ESSENCE**, which is gaining high recognition in Japan, will be introduced at this time in the Asian market as a strategic product, thereby seeking to strengthen and nurture the market. Additionally, as follow-up to **ADENOVITAL**, plans regarding future development call for pursuing expansion and enhancement of **THE HAIR CARE** product categories as the core brand in the overall Asian market.

**[Product Information]**

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<tr>
<th>Product Name</th>
<th>Characteristics</th>
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| **THE HAIR CARE ADENOVITAL SCALP ESSENCE** | ○ Formulated with Adenosine, Shiseido’s proprietary active ingredient.  
○ Formulated with Ononis Extract repair ingredient  
○ Formulated with Hop Extract, Japanese Pepper Extract and Arnica Extract moisturizing ingredients  
○ Fragrance free |

180ml
Suggested retail price in Japan: ¥6,000  
Suggested retail price in Asia: Equivalent to ¥6,600
Women’s Hair Concerns by Age (Japan)

Shiseido Professional survey 2010; N=121
**Shiseido’s Professional Business**

Shiseido’s Professional Business is made up of the Product Business, which is in charge of sales of professional-use products and consumer-use products sold in hair salons, and the Service Business, which is providing services including to hair salons and esthetic salons.

Sales in this business currently account for roughly 6% of Shiseido’s overall sales in Japan and overseas as of the fiscal year ended March 2010. The Professional Business is realizing its strategic role as a business that seeks to propose new value and expand opportunities to discover new customers.

**【Domestic Expansion】**

- Established the Hairdressing Section in the Cosmetics Department located on the second floor of the Ginza office in 1922.
- Currently, Shiseido Beauty Salon Co., Ltd. (Tokyo) develops the Service Business while Shiseido Professional Co., Ltd. (Tokyo) is engaged in the Product Business. Both companies are Shiseido wholly owned subsidiaries.

**【Overseas Expansion】**

**Asia and Oceania**

- Established joint venture Shiseido Professional (Thailand) Co., Ltd. (Bangkok, Thailand) in 2004 and currently developing the Product Business and the Service Business.
- Commenced full-scale operations of the Product Business through Shiseido’s wholly owned subsidiary Shiseido China Co., Ltd. (Shanghai, China). Salons have currently expanded to 1,000 outlets.
- Established Shiseido’s wholly owned subsidiary Shiseido Professional Korea Co., Ltd. (Seoul, Korea) in 2011 and currently developing the Product Business and the Service Business.

**Europe and the Americas**

- Acquired Laboratoires Decléor S.A. (Paris, France), which possesses the DECLÉOR luxury spa brand that uses French plant-based aroma products, in 2000.