



August 6, 2020

Dear Sirs and Madams,

Name of Company: Shiseido Company, Limited
Name of Representative: Masahiko Uotani
President and CEO
(Representative Director)
(Code No. 4911; The First Section of the Tokyo Stock Exchange)
Contact: Harumoto Kitagawa
Vice President
Investor Relations Department
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Notice Regarding Establishment of Joint Venture with YA-MAN LTD.

Shiseido Company, Limited (hereafter “Shiseido”) hereby announces that Shiseido and YA-MAN LTD. (Headquarters: Koto-ku, Tokyo, Japan, CEO: Kimiyo Yamazaki) (hereafter “YA-MAN”) have signed an agreement to establish a joint venture in the beauty device business.

Note

1. Reason for establishing a joint venture

Shiseido places importance on the creation of open innovation to establish innovative business models by combining the expertise of Shiseido with business partners as one of our key business strategies in striving to be a global winner with our heritage through the medium-to-long-term strategy VISION 2020 (2014-2020).

Shiseido will provide new beauty value through the combination of Shiseido’s strengths cultivated in the cosmetics business, such as skincare, with YA-MAN’s expertise in the beauty device business, and also leveraging its high recognition among Chinese consumers.

The new company will initially focus on the Chinese market and develop cross-border business targeting Chinese consumers who are interested in anti-aging and beauty devices. Brands and products of Japanese origin with “Made in Japan” proven safety and quality will be created by applying both YA-MAN’s highly advanced beauty device technology and Shiseido’s cutting-edge skin science technology, and they are planned to be launched in Japan and China in 2021.

2. Business details of the joint venture

(1) Business activities of the joint venture

Businesses such as brand creation, product planning, and sales for the purpose of providing new beauty solutions and creating new value that cannot be realized with cosmetics or beauty devices alone.

(2) Overview of the joint venture

| | | |
|---|---------------------------------|--|
| 1 | Name | EFFECTIM Co., Ltd. |
| 2 | Address | 7-5-5 Ginza, Chuo-ku, Tokyo, Japan |
| 3 | Title or name of representative | Toshinobu Umetsu, Representative Director, CEO |
| 4 | Business | Businesses such as brand creation, product planning, and sales for the purpose of providing new beauty solutions and creating new value that cannot be realized with cosmetics or beauty devices alone |
| 5 | Capital | 490 million yen |
| 6 | Date of establishment | October 1, 2020 (planned) |
| 7 | Investment ratio | Shiseido: 65%, YA-MAN: 35% |

3. Overview of YA-MAN LTD.

| | | |
|---|---|--|
| 1 | Name | YA-MAN LTD. |
| 2 | Address | 1-4-4 Furuishiba, Koto-ku, Tokyo, Japan |
| 3 | Title and name of representative | Kimiyo Yamazaki, CEO |
| 4 | Business | R&D, manufacturing, import/export sales of beauty and health device, import sales of cosmetics, sales of household goods, import sales of advanced electronic equipment (semiconductor inspection equipment, etc.) |
| 5 | Capital | 1,813 million yen |
| 6 | Date of establishment | May 27, 1978 |
| 7 | Major shareholders and ownership ratio (As of Apr 30, 2020) | Yukiteru Yamazaki 13.0% Kimiyo Yamazaki 11.3% Shizuko Yamazaki 10.8% Mitsuhide Yamazaki 4.5% Japan Trustee Services Bank, Ltd.(Trust account)(*1) 3.9% Victoria Yamazaki 3.8% Shirubi Yamazaki 3.8% Iwao Yamazaki 2.7% The Master Trust Bank of Japan, Ltd.(Trust account) 1.4% CDSIDAC-MERIAN GLOBAL INVESTORS SERIES PLC 1.0% |

| | | | | |
|---|--|----------------------------------|--------------------------|--------------------------|
| 8 | Relationship between listed company and subject company | Capital relationship | N/A | |
| | | Personnel relationship | N/A | |
| | | Trade relationship | N/A | |
| | | Applicability to related parties | N/A | |
| 9 | Consolidated business performance and consolidated financial position of the subject company over the recent three years | | | |
| | Fiscal term | Year ended in April 2020 | Year ended in April 2019 | Year ended in April 2018 |
| | Consolidated net assets | 13,361 million yen | 13,072 million yen | 11,877 million yen |
| | Consolidated total assets | 17,292 million yen | 17,959 million yen | 16,524 million yen |
| | Consolidated net assets per share | 242.85 yen | 233.67 yen | 208.27 yen |
| | Consolidated net sales | 22,975 million yen | 27,252 million yen | 23,030 million yen |
| | Consolidated operating profit | 2,504 million yen | 5,705 million yen | 5,385 million yen |
| | Consolidated ordinary profit | 2,310 million yen | 5,715 million yen | 5,345 million yen |
| | Net profit attributable to owners of parent | 1,322 million yen | 3,539 million yen | 3,399 million yen |
| | Consolidated net income per share | 23.66 yen | 62.65 yen | 59.62 yen |
| | Dividend per share | 3.6 yen | 8.1 yen | 7.6 yen(*2) |

(*1) Japan Trustee Services Bank, Ltd. merged with JTC Holdings, Ltd. and Trust & Custody Services Bank, Ltd. on July 27, 2020 to become Japan Custody Bank, Ltd.

(*2) As of November 1, 2017, there was a stock split at a rate of 10 shares for each common share, so the dividend per share for the fiscal year ended April 31, 2018 takes into account the effect of the split.

4. Schedule

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|---|----------------------------------|---------------------------|
| 1 | Date of conclusion of agreement | August 6, 2020 |
| 2 | Date of commencement of business | October 1, 2020 (planned) |

5. Future outlook

Shiseido believes that this establishment of joint venture business has only minor effects on its consolidated financial results for the fiscal year ending December 2020, but that it will contribute to the business expansion of the Shiseido Group in future.

-End of News Release-