



October 3, 2016

(Translation)

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: Tetsuaki Shiraiwa  
Department Director  
Investor Relations Department  
Corporate Communication Division  
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## **Commencement of Cooperation with Unicharm Corporation and Lion Corporation**

Notice is hereby given that Shiseido Company, Limited (the “Company”), at the meeting of its Board of Directors held on September 30, 2016, resolved that the Company, Unicharm Corporation (Address: 182 Shimobun, Kinsei-cho, Shikokuchuo, Ehime), and Lion Corporation (Address: 3-7, Honjo 1-chome, Sumida-ku, Tokyo) would commence cooperation for store maintenance at retail stores, sales area development, and analysis of sales area data.

Upon commencing the cooperation, part of the shares of Japan Retail Innovation Company, Limited, which is a consolidated subsidiary of the Company and carries out store maintenance at retail stores, will be transferred to Unicharm Corporation and Lion Corporation. Share ownership after the transfer of shares will be Company 60%, Unicharm Corporation 20%, and Lion Corporation 20%.

### **1. Reason for the Commencement of the Cooperation**

The commencement of the cooperation has been decided based on the supposition that the cooperation of the three companies, each of which operate within a different core category, would enhance the strengths of each company and produce synergy due to improved efficiencies and the complementing of categories. Going forward, the display and store maintenance operations for products that the three companies handle will be expanded, and each company’s knowledge regarding the in-store merchandizing aspects of retail marketing will be shared among the three. Through this cooperation, the Company aims to propose new value through stores, which are important contact points with consumers, and contribute to the development of the industry as a whole.



## 2. Details, etc. of the Cooperation

### (1) Details of the cooperation

The Company aims to achieve the following in terms of the content and effects of the cooperation.

#### (i) Efficient store maintenance

Improved efficiency in business activities can be achieved through the displaying and maintaining of products of the three companies simultaneously by personnel who utilize the know-how of the three companies and of Japan Retail Innovation Company, Limited. This will contribute to the enhancement of the competitiveness of manufacturers in the stores and the rejuvenating of retail stores in a diversifying distribution market.

#### (ii) Creation of merchandising that appeals to retail consumers

Linking products of different categories in the sales area will enable promotion that fits well with the lifestyles of consumers, while eye-catching effects will be enhanced through the joint display of products of the same category, thereby developing a sales area that encourages spending through related displays.

#### (iii) Collection and analysis of big data at point of sale

Analyzing sales area data that is obtained at the stores and pertains to attributes beyond product categories will lead to broad insights into the lifestyles, purchase behaviors, and product selections of consumers.

### (2) Outline of the joint venture

(1)	Name	Japan Retail Innovation Company, Limited
(2)	Address	5-5, Ginza 7-chome, Chou-ku, Tokyo
(3)	Title and name of representative	Atsushi Hiyama, Representative Director, President, Chief Executive Officer
(4)	Line of business	Store maintenance at retail stores, etc.
(5)	Capital	¥100 million
(6)	Date of establishment	July 1, 2013
(7)	Fiscal year-end	December 31
(8)	Investment ratio	<Present> Shiseido Company, Limited: 100% <After share transfer> Shiseido Company, Limited: 60%; Unicharm Corporation: 20%; Lion Corporation: 20%

### 3. Schedule

(1)	Contract date	October 3, 2016
(2)	Start of cooperation	After completion of the share transfer procedures

### 4. Future Outlook

The impact of this transaction on the Company's consolidated business performance for the fiscal year ending December 31, 2016 is minor.