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(Translation)

Dear Sirs and Madams,

Name of Company: Shiseido Company, Limited

Name of Representative: Masahiko Uotani
President and CEO
(Representative Director)

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Notice of Acquisition of a U.S.-based Start-up, MATCHCo

—Obtaining a Smartphone App-based Technology to Formulate Customized Foundation—

January 18, 2017 (January 19 JST) – Shiseido Company, Limited ("Shiseido"), announced today that its regional headquarters and consolidated subsidiary, Shiseido Americas Corporation (Delaware, USA; "SAC"), has acquired MATCHCo (California, USA), a privately-held company utilizing revolutionary technology and innovative digital tools to provide consumers with individually customized foundation at scale.

The synergy of MATCHCo's innovative digital tools and Shiseido Group's R&D capabilities will help to enhance a business model that captures a major consumer trend: cosmetics customization.

1. Purpose of the acquisition

Combined efforts of MATCHCo and Shiseido Group will result in a roll-out and enhancement of a business model that quickly responds to changes in consumer needs and the rapidly growing market.

Expected results include increased focus on customization of cosmetic products, advancing digital technologies aimed at consumer skin measurement and analysis, expanding direct marketing, and improving consumer marketing by gathering insight through direct contact with consumers.

Shiseido is already taking steps to reinforce its Skincare, Makeup, Fragrance and Digital Centers of Excellence (COE). Collaboration among these COEs will take this model beyond its initial category, skin foundation, and further drive business expansion.



2. Future outlook

We believe that this matter has only minor effects on the consolidated financial results of the Shiseido Group for the fiscal year ending December 2017.

<Reference> Summary of MATCHCo

Founded in 2013 by personalization and technology experts Dave Gross and Andy Howell and backed by patented technology, MATCHCo lets customers scan their unique skin tones through its mobile app and uses the data collected to individually blend a perfectly matching custom foundation for each consumer. The MATCHCo app is currently distributed through Apple's App Store and was featured as "Best New App" and "Best of November" at launch in November 2015. Since then, it has also received beauty breakthrough awards from *Teen Vogue*, *Good Housekeeping* and others.

MATCHCo will remain based in California, with its engineering team in Palo Alto and its marketing and operations hub in Santa Monica, and will become part of Shiseido's Global Makeup Center of Excellence, led by Jill Scalamandre and based in New York.

- End of News Release -