

**Shiseido to Start Sales of *Clé de Peau Beauté* in Russia,
Aiming to Boost Global Sales of the Brand**

Shiseido is excited to announce that sales of its high-end cosmetics line *Clé de Peau Beauté* has started in Russia. The products are at first be sold through Shiseido Russia (a 100% subsidiary of Shiseido based in Moscow) at a high-class department store in the city on November 21. Shiseido has been focusing on the sales promotion of *Clé de Peau Beauté* as one of its “Global Mega-Brands” and will foster sales of the brand in Europe under its next three-year plan (for fiscal 2014 to fiscal 2016), in addition to existing sales in Asia including Japan and in North America.

Shiseido will have the whole range of *Clé de Peau Beauté* products, including skincare and makeup products (173 types of products; 45 items), available at TSUM, a high-class department store located in Moscow. With the start of sales in Russia, the number of countries and regions where *Clé de Peau Beauté* are sold will reach 12, including Japan, China, Taiwan, South Korea, Malaysia, Thailand, Singapore, Vietnam, Indonesia, United States and Canada.

Also in Russia, as in other regions, Shiseido will establish a special *Clé de Peau Beauté* counter separately from the counter for the global SHISEIDO brand. At this special counter, beauty consultants (BCs) will serve customers in a uniform that is different from the uniform worn by general SHISEIDO BCs. The BCs will provide customers with an experience they could only experience at supreme brand counter.



Clé de Peau Beauté counter is established at TSUM, a high-class department store in Moscow.

Positioning of *Clé de Peau Beauté* in Shiseido's three-year plan

In Shiseido's current three-year plan (for the period from April 2011 to March 2014), the brands that the entire company should focus to ensure their further growth are regarded as "Global Mega-Brands," and *Clé de Peau Beauté* is deemed as one of the top priority brands in the prestige market, together with SHISEIDO and Bare Minerals. Shiseido aims to become a "global player representing Asia with its origins in Japan" by 2017, and to this end renewed the *Clé de Peau Beauté* brand in line with its global strategy in 2011. *Clé de Peau Beauté* is an essential brand for Shiseido to obtain new customers in addition to customers of SHISEIDO-branded products. The supreme brand again recorded two-digit growth in overseas markets in fiscal 2011.

In light of the fact that most of the cosmetics markets in developed countries have matured, Shiseido deems it important to enhance its sales promotion measures in emerging economies and to develop products that will drive the next growth phases of the company. Among emerging economies, Russia represents a country strongly influenced by the European cosmetics culture, and people of the country generally admire Japan's advanced skills and technologies. Accordingly, Shiseido regards Russia as a top priority market in its three-year plan. Shiseido entered the Russian market through a distributor in 1999 and has been implementing more flexible measures through its 100% subsidiary Shiseido Russia since 2008. In the country, as in other countries in Europe, Shiseido has been implementing a strategy that focuses on the local prestige market, but in 2011 also began importing its TSUBAKI-branded hair care products from Japan for local sale as one of a series of new initiatives to be implemented for the development of its business in the country.

About *Clé de Peau Beauté*

Clé de Peau Beauté was launched in 1996. The brand is a successor to *Clé de Peau*, which was released in 1982 as Shiseido's top-of-the-line brand. Since then, Shiseido has been introducing the latest knowledge and most advanced technologies to this prestige brand to further sophisticate the products sold under it. The products are highly evaluated by consumers and have already been marketed in 11 countries and regions across the globe.

In 2011, Shiseido renovated the brand to develop it into its mainstay brand next to the global SHISEIDO-branded cosmetics, and accordingly established an independent business unit for *Clé de Peau Beauté* to control the global marketing of the products as well as a research institute for the brand. Shiseido will further foster recognition of the brand to double the overseas sales ratio by fiscal 2017, by focusing on Asia and the United States as global strategic markets. The Asian market includes China, where the number of rich people is increasing, and in the US market, sales of *Clé de Peau Beauté* products have remained favorable even after the collapse of Lehman Brothers in 2008.

Also this year, which marks the 30th anniversary of the brand, Shiseido has attracted the public's attention by such measures as selling a limited-edition product, specifically La Creme (face cream), which costs as much as 1 million yen (1.05 million yen including tax).