



**Shiseido to Commercialize Polylactic Acid Containers
with Low Environmental Load
~To Be Introduced to URARA Brand Exclusively for the Chinese Market~**

Shiseido has developed containers with low environmental load using polylactic acid, a plant-based plastic. Additionally, this technology will be commercialized from September 2009 for its *URARA* brand available exclusively in the Chinese market, thereby becoming the first major cosmetic manufacturer to launch products using polylactic acid containers in China.

Background of Container Development

While a key focus is being placed on environmental and energy issues such as global warming and the depletion of petroleum resources, plant-based plastics having less environmental impact are attracting attention as an alternative to conventional plastics made from petroleum resources. Commercialization of products such as electrical appliances and automotive components that use polylactic acid is recently being promoted; however, at the same time, polylactic acid has drawbacks in terms of heat and shock resistance and reducing large amounts of moisture loss of contents compared with petroleum-based plastics. For such reasons, practical use of polylactic acid in cosmetic containers requiring long-term preservation of contents was considered to be difficult until now.

Containers developed at this time realize sufficient and stable preservation of contents and shock resistance by strictly controlling the quality of polylactic acid during the molding process, optimizing the composition of polylactic acid layers and laminating the commodity resin High Density Polyethylene (HDPE) and polylactic acid layers for optimal layer thickness. At the same time, Shiseido was able to utilize over 50% of plant-based ingredients in this new bottle container as a result of technology development to increase the proportion of plant-based ingredients as much as possible.

Greater Environmental Awareness and Commercialization in China

Environmental damage such as air and water pollution is also increasing in line with remarkable economic growth in China, and has in turn given rise to a greater awareness and interest toward environmental issues centering on the younger generation. Additionally, the Chinese government is also placing significant importance on environmental preservation and improvement, in which there are strong expectations toward companies to contribute to addressing environmental issues.

The Chinese market is a major pillar of overseas business for Shiseido, whereby the Company is undertaking a wide array of environmental initiatives in China that include activities in respective

areas of business operations to reduce CO₂ at factories (Shiseido Liyuan Cosmetics Co., Ltd. and Shanghai Zotos Citic Cosmetics Co., Ltd.) and recycling via wastewater treatment within factories (promotion of the use of recycled wastewater), as well as initiatives that take CSR perspectives into account such as afforestation activities in Gansu Province in China.

Based on this situation, Shiseido decided to commercialize this technology in September 2009 for containers of its *URARA* cosmetic brand, which is marketed exclusively in China.

Shiseido's Environmental Efforts

Shiseido has pursued environmental measures in all its business activities in line with the Shiseido Eco Policy, the Company's management policy with regard to the environment adopted in 1992, and the Shiseido Global Eco Standards, practical guidelines formulated in 1997. Additionally, in March 2009, Shiseido was the first company in the cosmetic industry to be certified as an "Eco-First Company*" and therein pledged its commitment to society to actively promote various activities directed toward global environmental protection.

Concerning product containers, in addition to such efforts as the expansion of refill container products, development of containers with a separation mechanism that takes recycling into account and research on reducing container weight, plans call for commercial production of sugarcane-based plastic containers to commence in 2011. Current technology realizes product commercialization by using materials that contribute to CO₂ reduction and also serves as a means to "reduce CO₂ emissions derived from products by actively utilizing carbon-neutral, plant-based materials as raw materials for products," as stated under Shiseido's Eco-First Commitment.

Shiseido will redouble its focus on fundamental environmental activities together with environmental initiatives that are unique to Shiseido in accordance with fulfilling its corporate social responsibilities and its corporate message of "This moment. This life. Beautifully." The Company will also strive to increase the transparency of these activities and disseminate related information globally to all stakeholders.

* The Eco-First Program was created by the Ministry of the Environment in April 2008 to "encourage leading companies in each industry to redouble their environmental protection activities by having them make a commitment to the Minister of the Environment concerning their environmental protection initiatives such as global warming countermeasures geared toward compliance with targets mandated by the Kyoto Protocol." Certified companies are permitted to use the Eco-First Mark in publications and advertising.

Regarding *URARA* Brand Exclusively for the Chinese Market

URARA (*Yourai* in Chinese) is a brand exclusively for the Chinese market that was developed to reinforce sales in its Cosmetics Specialty Stores business and introduced by Shiseido China Co., Ltd. in October 2006. As a result of product development based on the needs of Chinese women and in line with the steady expansion of the specialty stores channel business, the number of contracted stores has increased to approximately 3,500 stores as of the end of December 2008.

Shiseido initially launched *AUPRES* in 1994 as an exclusive brand in China targeting upscale

department stores. Since then, amid the rapid development of the Chinese economy, the cosmetic market in mainland China drastically expanded as well, whereby the demand for cosmetics also increased in suburban cities that could not be covered solely via the high-end department store channel through which *AUPRES* products are sold. In accordance with the launch of the cosmetics specialty stores channel business from 2004, Shiseido developed the *URARA* brand targeting a new generation of Chinese women with an increasing awareness of cosmetics.

As a comprehensive cosmetic brand ranging from skincare to makeup products, *URARA* sales promotion activities are now widely being developed together with its brand message “*Howan tsuu shii* (Make yourself shine).”