

Yoshiharu Fukuhara, Honorary Chairman of Shiseido Co., Ltd., Awarded the Title of “Honorary Citizen of Beijing”

On August 28, 2002, Honorary Chairman of Shiseido Co., Ltd., Yoshiharu Fukuhara, was awarded the title of “Honorary Citizen of Beijing” in appreciation for his long-standing contributions to cultural and economical exchange between Japan and the City of Beijing.

“Honorary Citizen of Beijing” is the highest title given to foreigners who have contributed to the city, with 19 people having received the title. The first Japanese recipient of the title was Mr. Shunichi Suzuki, the former governor of Tokyo. Mr. Fukuhara is the second Japanese recipient of the title; however, he is the first Japanese civilian to be awarded this honor.

The conferment ceremony was held in Beijing, with the Mayor of Beijing, Mr. Liu Qi, bestowing the official title of “Honorary Citizen of Beijing” on Mr. Fukuhara.

Background

Honorary Chairman Yoshiharu Fukuhara has been actively promoting business development in China since 1978, when he was appointed Director and General Manager of International Operations. In 1981, Shiseido began marketing imported Shiseido products in Beijing, and in 1983, it was the first Japanese cosmetics company to conclude a technology transfer agreement with the City of Beijing. Through such efforts, Mr. Fukuhara built the foundation of Shiseido’s business in China.

In 1991, Shiseido established the joint venture company, Shiseido Liyuan Cosmetics Co., Ltd., which set up the first factory to commence operations in the Beijing Economic Technological Development Zone, thus marking the start of Shiseido’s full-scale launch of business operations in China.

Shiseido Liyuan Cosmetics Co., Ltd., which has its headquarters in Beijing and 20 sales branches nationwide, has grown into one of the leading cosmetic companies in China. The company has been commended by the city of Beijing as a preeminent business entity operating in the Beijing Economic Technological Development Zone.

The title given to Mr. Fukuhara is the result of the high esteem accorded to his achievement in laying the cornerstone for a good relationship between the city of Beijing and Shiseido by contributing to the development of the Beijing economy and introducing Japanese culture through cosmetic products.

Shiseido in China

In designating China as the market with the highest growth potential, Shiseido is actively expanding its business there, including establishing marketing bases in Beijing and Shanghai.

Shiseido Liyuan Cosmetics Co., Ltd., which is implementing counseling sales for high-end, prestige products, markets and sells imported prestige brand products such as *Clé de Peau BEAUTÉ* and *SHISEIDO*, as well as carries out the manufacture and sales of *AUPRES* cosmetic brand products exclusively for the Chinese market. Since the start of sales in 1994, *AUPRES* has become particularly popular and is currently sold at 290 department stores in 78 cities, attaining the top share at 90% of the stores in which it is sold. As a result, *AUPRES* is fast becoming the leading cosmetics brand in China.

Shiseido also established a cooperative company, Shanghai Zotos CITIC Cosmetics Co., Ltd., in Shanghai in 1998. The company currently produces and sells *Za*, *Pure Mild China*, *UNO*, *ASPLIR*, *SELFIT* and *WHITIA* medium-priced cosmetics, targeting China's rapidly increasing middle classes.

In 2002, Shiseido established Shiseido China Research Center Co., Ltd. to conduct research into traditional Chinese medicines in promoting the development of cosmetic products for the Chinese and overseas markets.

The scale of the cosmetics market in China grew 114% in 2001 from the previous year, with total sales expanding to approximately 40 billion yuan (¥600 billion/*Company estimated). In 2002, Shiseido is aiming to achieve a total of ¥18 billion in sales, representing a 127% increase in local shipments.

[Reference]

Yoshiharu Fukuhara

- 1931 Born in Tokyo
- 1953 Graduated from Keio University with a degree in economics.
Joined Shiseido Co., Ltd.
- 1978 Appointed Director and General Manager of International Operations
- 1987 Appointed President and Chief Executive Officer
- 1997 Appointed Chairman of the Board
- 2001 Appointed Honorary Chairman

Public Service

Vice Chairman of the Tokyo Chamber of Commerce and Industry; the Japan and Tokyo Chamber of Commerce and Industry; President of the Association for Corporate Support of the Arts; President of the Japan Advertisers Association INC.; President of Tokyo Metropolitan Museum of Photography; Chairman of the Club Franco-Japonais; Chairman of *la Section Japonaise de la Societe d'Entraide des Membres de l'Ordre National de la Légion d'Honneur*; Co-chairman, on the Japanese side, of the ITALY-JAPAN BUSINESS GROUP; Honorary Chairman of the Japan Horticultural Society; Member of the Tax Commission; Member of the Postal Service Council; Member of the Council for Gender Equality; Member of Social Policy Council; and others.

Awards

- 1991 Appointed *Officier de l'Ordre National de la Légion d'Honneur*
- 1993 Awarded *La Grande Médaille de la Ville de Paris*
- 1997 Appointed *Commandeur de l'Ordre National de la Légion d'Honneur*
- 1998 Appointed *Grande Ufficiale* in Order of Merit of the Italian Republic
- 2002 Appointed *Grand Officier de l'Ordre National de la Légion d'Honneur*

Shiseido Liyuan Cosmetics Co., Ltd.

Corporate name: Shiseido Liyuan Cosmetics Co., Ltd.
Representatives: Yukihiro Takano, President and CEO
Location: Beijing Economic Technological Development Zone
(15km southeast of central Beijing)
Paid-in capital: 94.3 million Yuan (approximately ¥1,480 million)
Investment ratio: Shiseido Co., Ltd. - 65%; Beijing Liyuan Cosmetics Co., Ltd. - 35%
Business lines: Production and sales of cosmetics products

Shanghai Zotos Citic Cosmetics Co., Ltd.

Corporate name: Shanghai Zotos Citic Cosmetics Co., Ltd.
Representatives: Tomoharu Seki, President & CEO
Location: Shanghai CITIC-Power Zhanjiang Industrial Park
(10km east of central Shanghai)
Paid-in capital: US\$31.2 million (approximately ¥3,800 million) (US\$1=¥120)
Investment ratio: Shiseido Co., Ltd. - 88%; CITIC EAST CHINA (GROUP) Co., Ltd. -12%
Business lines: Production and sales of cosmetics products