

FRAGRANCE AND PERSONAL CARE

## Shiseido commits to prestige beauty after selling mass market brands

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*Shiseido is focusing on its luxury brands. Image credit: Shiseido*

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By LUXURY DAILY NEWS SERVICE

Japanese beauty group Shiseido is selling its personal care brands to a private equity firm as it continues to prioritize its prestige portfolio.

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Shiseido will be establishing an independent joint venture with CVC Asia Pacific Limited focusing on the personal care business. Mid-to-high-priced cosmetics sales account for more than 70 percent of Shiseido's group sales since 2015.

### Portfolio pivot

According to a [statement](#) from Masahiko Uotani, president and CEO at Shiseido, the group will have a 35 percent ownership stake in the company to CVC's 65 percent share. The impacted brands, including Senka and Tsubaki, are sold primarily at drugstores and general merchandise stores.

Media reports have the sale valued at 160 billion yen, or about \$1.52 billion at current exchange. It is expected to close by July 1 and is subject to regulatory approvals.

The new company will invest in product innovations and digital marketing to grow the personal care brands. There will be no layoffs ahead of the sale, according to Mr. Uotani.



*Luxury and prestige cosmetics represent the majority of sales at Shiseido. Image credit: Cl de Peau Beaut*

As a result of the sale, Shiseido will continue growing its luxury and premium brands. In addition to its namesake Shiseido brand, the group's roster includes Cl de Peau Beaut, Nars and Bare Minerals.

"We are pursuing further growth in Japan and globally with our group strategy of Prestige First," Mr. Uotani said. "I strongly believe that we must maintain this strategy, and that it is the foundation for Shiseido and its nearly 150 years of heritage to thrive for the next 150 years."

Skincare will be another priority for Shiseido. In 2019, the group acquired skincare company Drunk Elephant as it diversified its brand offerings ([see story](#)).

Shiseido exceeded 1 trillion yen in sales, or about \$9.47 billion, for the first time, led by its high-end cosmetics portfolio.

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