(Translation)

May 18, 2009

Dear Sirs,

Name of the Company:	Shiseido Company, Limited
Name of the Representative:	Shinzo Maeda President & CEO (Representative Director)

(Code No. 4911; The First Section of the Tokyo Stock Exchange)

Further inquiries:	Yukihiro Saito General Manager of Investor Relations Department (Tel: 03 - 3572 - 5111)

Notice of Granting of Stock Options (Stock Acquisition Rights)

Notice is hereby given that Shiseido Company, Limited (the "Company"), at the meeting of its Board of Directors held on May 18, 2009, resolved that the Company would propose at its 109th Ordinary General Meeting of Shareholders to be held on June 24, 2009, an item of business relating to the determination of remuneration, etc. for granting stock options to its Directors, as described below:

1. Reason for the allotment of stock acquisition rights as stock options:

The executive compensation policy of the Company, which has been designed by its Compensation Advisory Committee with an outside Director acting as chairman and including third parties, is a highly transparent policy that takes in objective perspectives.

The executive compensation under the policy is comprised of fixed "basic compensation" and performance-linked compensation, which fluctuates according to the rates of achievement of performance targets and stock prices: the rate of basic compensation is approximately 40% and the rate of performance-linked compensation is approximately 60%.

The performance-linked compensation consists of "bonuses" payable based on annual performances, pecuniary compensation as "medium-term incentives-type compensation" based on the targets of the three-year plan, which has started as from April 1, 2008, and payable according the rate of achievement of the targets after the close of the final year of the three-year plan, and stock compensation-type stock options as "long-term incentives-type compensation", which places emphasis on sharing interests with its shareholders. Thus, the policy is designed to motivate the officers of the Company to engage in management while having constant awareness of operating results and stock prices from not only single-year but also medium- and long-term perspectives.

SHISEIDO

This proposal relates to the long-term incentives-type compensation included in the performance-linked compensation as remuneration, etc. payable to the Directors of the Company.

The long-term incentives-type compensation policy grants stocks as remuneration, etc. in lieu of paying pecuniary remuneration, etc. to the Directors and as its vehicles, stock acquisition rights, which shall be stock options that require a cash contribution of ¥1 upon exercise of each such stock acquisition right, are used.

To make the Directors of the Company share with its shareholders merits and risks pertaining to its stock prices and afford incentives to them to achieving much improved results and higher stock prices by linking compensation to an increase in its shareholder value on a long-term basis, the Company intends to grant stock options to its eight Directors, but not two outside Directors of the Company, subject to the approval of Item of Business No. 3) "Election of Ten (10) Directors" at the Ordinary General Meeting of Shareholders.

To be specific, for the fiscal year ending March 31, 2010, the Company will propose to set forth ¥150,000,000 (an amount obtained by multiplying the fair price of each stock acquisition right to be allotted by the total number of stock acquisition rights to be allotted (1,300 rights or less)) as the limit of remuneration, etc. for the Directors in the form of allotments of stock acquisition rights stated below as stock options.

Upon granting the stock acquisition rights, the fair value thereof shall be a paid-in amount of the stock acquisition rights. The Company shall grant compensation in cash equivalent to the paid-in amount to the Directors on condition that such compensation should be offset against their obligations to pay the paid-in amount to the Company.

As the policy of remuneration, etc. of outside Directors is based on fixed compensation only, no stock option will be granted to the outside Directors in the proposition.

2. Outline of the issuance of stock acquisition rights:

(1) Allottees of the stock acquisition rights:

Stock options will be granted to eight Directors, but not two outside Directors of the Company (subject to the approval of Item of Business No. 3) "Election of Ten (10) Directors" at the Ordinary General Meeting of Shareholders).

(2) Class and number of shares which may be issued upon exercise of stock acquisition rights:

Not exceeding 130,000 shares of common stock of the Company

In the event that the Company is required to adjust such number of shares due to a share split (including the allotment of shares of common stock of the Company without compensation), share consolidation or otherwise, the Company may adjust such number of shares to the reasonable extent.

(3) Total number of stock acquisition rights to be allotted:

Not exceeding 1,300 rights

The number of shares that may be issued upon exercise of each stock acquisition right (the "Subject Number of Shares") shall be 100 shares of common stock of the Company (provided, however, that in the event of any adjustment to the number of shares in paragraph (2) above, the Subject Number of Shares shall be adjusted similarly).

(Note) The Company, at the meeting of its Board of Directors held on April 30, 2009, adopted a resolution for a change of the number of shares constituting one unit from 1,000 shares to 100 shares as of October 1, 2009 pursuant to Article 195 of the Corporation Law.

(4) Issue price (paid-in amount) of stock acquisition rights:

The issue price (paid-in amount) of each stock acquisition right shall be based on a fair value thereof to be calculated upon the allotment thereof. The Company shall grant compensation in cash equivalent to the paid-in amount to the Directors on condition that such compensation should be offset against their obligations to pay the paid-in amount to the Company.

(5) Cash amount paid upon exercise of stock acquisition rights:

Payment required for the exercise of stock acquisition rights shall be made in cash. The exercise price per share shall be ¥1 and the total payment required shall be an amount obtained by multiplying ¥1 by the Subject Number of Shares.

(6) Stock acquisition right exercise period:

From August 1, 2012 to July 31, 2019

(7) Terms and conditions of the exercise of stock acquisition rights:

1. Any grantee of stock acquisition rights shall remain in office as Director or Executive Officer of the Company when he/she exercises the rights, unless he/she leaves office upon expiration of the term of office or due to any other good reason.

2. Any other term and condition shall be governed by a "contract of allotting stock acquisition rights" to be entered into between the Company and the relevant allottee of stock acquisition rights.

(8) Restriction on a transfer of stock acquisition rights:

Any transfer of stock acquisition rights shall be subject to the approval of the Board of Directors of the Company.

(9) Other details of stock acquisition rights:

The details of items (1) through (8) and matters not covered by items (1) through (8) shall be determined at a meeting of the Board of Directors at which matters for the issuance of the stock acquisition rights will be resolved.

[For reference]

Stock options to Executive Officers who do not concurrently hold offices of Directors

The executive compensation policy of the Company is addressed to the Directors and the Executive Officers who do not concurrently hold offices of Directors, under which such Executive Officers of the Company will be granted "stock options as long-term incentives" as will be granted to the Directors.

The stock options for Executive Officers are scheduled to be determined at a meeting of the Board of Directors, separately from the aforementioned stock options for Directors.

The size of the issue of stock acquisition rights as stock options based on the executive compensation policy for Executive Officers who do not concurrently hold offices of Directors is as follows:

Stock options as long-term incentives:

The Company proposes to set forth ¥120,000,000 (an amount obtained by multiplying the fair price of each stock acquisition right to be allotted by the total number of stock acquisition rights to be allotted (900 rights or less)) as the limit of remuneration, etc. for eleven (11) Executive Officers who do not concurrently hold offices of Directors in the form of allotments of stock acquisition rights as stock options.

- END -