(Translation)

May 16, 2011

Dear Sirs and Madams,

Name of the Company:	Shiseido Company, Limited
Name of the Representative:	Hisayuki Suekawa President & CEO (Representative Director)

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

Further inquiries:	Akihiro Miyasaka 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 16, 2011, resolved that the Company would propose at its 111th Ordinary General Meeting of Shareholders to be held on June 24, 2011 (the "Ordinary General Meeting of Shareholders"), 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: it is designed so that the rate of basic compensation may be approximately 40% and the rate of performance-linked compensation may be approximately 60% on average if the rates of achievement of performance targets for three fiscal years and an individual fiscal year reach 100%, respectively.

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.

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 (the "Stock Option" or "Stock Options") to its five Directors, but not three outside Directors of the Company, subject to the approval of Item of Business No. 3) "Election of Eight (8) Directors" at the Ordinary General Meeting of Shareholders.

To be specific, for the fiscal year ending March 31, 2012, the Company will propose in Item of Business No. 7) "Determination of Long-Term Incentives-Type Remuneration to Directors" at the Ordinary General Meeting of Shareholders, 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 (1,400 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.

The stock acquisition right exercise period, which was set at seven years in the respective fiscal years ended on or before March 31, 2011, will be 12 years for the stock acquisition rights to be allotted in the current fiscal year.

2. Outline of the issuance of stock acquisition rights:

(1) Allottees of the stock acquisition rights:

Subject to the approval of Item of Business No. 3) "Election of Eight (8) Directors" at the Ordinary General Meeting of Shareholders, the Stock Options will be granted to five Directors, but not three outside Directors of the Company.

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

Not exceeding 140,000 shares of common stock of the Company

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 that the Company is required to adjust the Subject 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.
In that case, the number of shares which may be issued upon exercise of stock acquisition rights will also be adjusted similarly.

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

Not exceeding 1,400 rights

(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, 2014 to July 31, 2026

(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.

[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, and the size of the issue of stock acquisition rights is as follows:

The Company proposes to set forth ¥100,000,000 (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 (1,100 rights or less)) as the limit of remuneration, etc. for thirteen (13) Executive Officers who do not concurrently hold offices of Directors in the form of allotments of stock acquisition rights as stock options.

The effect of the stock acquisition rights to be allotted as the Stock Options to Directors and stock options to Executive Officers who do not concurrently hold offices of Directors on the total number of issued shares will be as follows:

		Ratio to the total number of shares issued as of March 31, 2011, excluding shares of treasury stock
Total number of shares to be issued or transferred upon exercise of stock acquisition rights to be allotted as stock options to Directors (upper limit)	140,000 shares	0.03%
Total number of shares to be issued or transferred upon exercise of stock acquisition rights to be allotted as stock options to Executive Officers who do not concurrently hold offices of Directors (upper limit)	110,000 shares	0.02%
Total number of shares issued as of March 31, 2011 to be transferred upon exercise of stock acquisition rights	1,640,800 shares	0.41%
Total	1,890,800 shares	0.46%

- End of news release -