

October 27, 2016

(Translation)

Dear Sirs and Madams,

Name of Company: Shiseido Company, Limited
Name of Representative: Masahiko Uotani
President and CEO
(Representative Director)
(Code No. 4911; The First Section of the Tokyo Stock Exchange)
Contact: Tetsuaki Shiraiwa
Department Director
Investor Relations Department
Corporate Communication Division
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Notice of Company Split with a Consolidated Subsidiary (Absorption-type Split)

It is hereby notified that wholly owned subsidiaries of Shiseido Company, Limited (the “Company”) d’icilà Company, Limited (“d’icilà”) and Shiseido Japan Company, Limited (“Shiseido Japan”) have determined that they would let Shiseido Japan take over d’icilà’s marketing, sales, and planning & management functions through a company split (absorption-type split) effective January 1, 2017.

Since this is an absorption-type split carried out between the Company’s wholly owned subsidiaries, we omit part of the matters to be disclosed.

1. Purpose of this absorption-type split

As part of the reforms directed toward the realization of “VISION 2020,” our medium-to-long-term strategy, we have been operating a matrix organizational structure based on a brand axis and regional axis since January of this year in order to develop strong brands and enable the implementation of marketing programs that suit each region of the world. We will integrate d’icilà’s marketing, sales, and planning & management functions into Shiseido Japan with the aim of enhancing growth potential by further strengthening our swift and integrated brand management in the Japanese market.

2. Main points of the absorption-type split

(1) Schedule

Date of the subsidiaries’ shareholder meetings that approved the company split	November 24, 2016
Date of conclusion of an agreement	November 25, 2016
Date of effectuation	January 1, 2017



(2) Method

This absorption-type split involves d'icilà spinning off its business and Shiseido Japan taking it over.

(3) Allotment of shares

Since this absorption-type split is carried out between the Company's wholly owned subsidiaries, none of the subsidiaries' shares will be allotted in conjunction with the split, nor will any equivalent value be paid.

(4) Handling of subscription warrants and bonds with subscription warrants

Not applicable.

(5) Capital increase or decrease

There will be no capital increase or decrease.

(6) Rights and duties taken over by the successor company

Shiseido Japan will take over all assets and liabilities and contractual statuses needed to execute d'icilà's marketing, sales, and planning & management functions, as well as all rights and obligations that accompany such.

(7) Prospect of performing obligations

The Company determines that there is no problem as to whether Shiseido Japan can perform its obligations after the absorption-type split.

3. Overview of the companies involved in the organizational restructuring

	Splitting company (d'icilà)	Successor company (Shiseido Japan)
Trade name	d'icilà Company, Limited	Shiseido Japan Company, Limited
Location of head office	5-5, Ginza 7-chome, Chuo-ku, Tokyo	5-5, Ginza 7-chome, Chuo-ku, Tokyo
Representative's name and position	Daisuke Fujita, Representative Director, President	Toru Sakai, Representative Director, [株式会社]President and CEO
Main business lines	Sale, and import and export of cosmetics and other products	Sale of cosmetics and other products
Capital	24 million yen	100 million yen
Date of establishment	April 1, 1991	December 1, 1927
Number of shares issued	15,000	31,805,299
Settlement term	December 31	December 31
Major shareholders and shareholding ratios (As of October 27, 2016)	Shiseido Company, Limited: 100%	Shiseido Company, Limited: 100%

4. Future outlook

This is an absorption-type company split between the Company's wholly owned subsidiaries. We believe that the split has only minor effects on the consolidated financial results of the Shiseido Group for the fiscal year ending December 2016.

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