

(Translation)

September 29, 2017

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
(Tel: +81 3 3572 5111)

Notice of Company Split with a Consolidated Subsidiary (Simple Absorption-type Split)

It is hereby notified that Shiseido Company, Limited (hereinafter, “the Company”) has reached an agreement on transferring the shares of its wholly-owned subsidiary, Shiseido Irica Technology Inc. (hereinafter, “Irica Technology”) and the assets associated with the chromatography business owned by the Company to OSAKA SODA Co., Ltd. (hereinafter, “Osaka Soda”) as announced in “Notice of Transfer of Shares, Etc. of Subsidiary (Shiseido Irica Technology Inc.)” on August 29, 2017. It was agreed that under the transaction, Irica Technology would succeed to the rights and obligations related to the Company’s chromatography business through a company split (simple absorption-type split), and Irica Technology’s shares would be transferred to Osaka Soda.

At the Board of Directors meeting held today, the Company resolved on the succession through the aforementioned company split (simple absorption-type split) effective December 1, 2017, and concluded the absorption-type split agreement with Irica Technology today.

Since this is a simple absorption-type split carried out between the Company and its wholly owned subsidiary, we omit part of the matters to be disclosed.

1. Purpose of this absorption-type split:

As part of the efforts directed toward the realization of its medium-to-long term strategy, “VISION 2020,” Shiseido Group has been revisiting its business portfolio. While concentrating the investment of its resources on core businesses, the Company has decided to transfer the shares of Irica Technology that operates the chromatography business. This absorption-type split is carried out for the purpose of such transfer.

2. Main points of the absorption-type split:

(1) Schedule

Date of resolution of the Board of Directors	September 29, 2017
Date of conclusion of an agreement	September 29, 2017
Date of effectuation	December 1, 2017

(Note) For the Company, this is a simple absorption-type split as stipulated in Article 784 Paragraph 2 of the Companies Act. Therefore, the Company will not convene a general meeting of shareholders to seek approval for the agreement of the absorption-type split.

(2) Method

This absorption-type split involves the Company spinning off part of its business and Irica Technology taking it over.



(3) Allotment of shares

Irica Technology will additionally issue 100 common shares in conjunction with this absorption-type split, which will be allotted to the Company.

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

Not applicable

(5) Capital increase or decrease

There will be no capital increase or decrease.

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

Irica Technology will take over all assets and contractual statuses needed to execute the chromatography business owned by the Company, 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 Irica Technology can perform its obligations after the absorption-type split.

3. Overview of the companies involved in the organizational restructuring:

	Splitting company (the Company)	Successor company (Irica Technology)
(1) Name	Shiseido Company, Limited	Shiseido Irica Technology Inc.
(2) Location	5-5, Ginza 7-chome, Chuo-ku, Tokyo	12, Nishikawabecho, Higashikujo, Minami-ku, Kyoto
(3) Representative's name and position	Masahiko Uotani, Representative Director, President and CEO	Akihiro Ishino, Representative Director, President
(4) Main business lines	Research, development, manufacture, and sale of cosmetics and other products	Manufacture and sale of analytical equipment (columns, devices, etc.)
(5) Capital	64,506 million yen	100 million yen
(6) Date of establishment	June 24, 1927	May 10, 1985
(7) Number of shares issued	400,000,000	2,000
(8) Settlement term	December 31	December 31
(9) Major shareholders and shareholding ratios (as of June 30, 2017)	The Master Trust Bank of Japan, Ltd. (trust account): 9.22% Mizuho Bank, Ltd.: 5.31% Japan Trustee Services Bank, Ltd. (trust account): 4.53% BNYM TREATY DTT 15: 2.87% Japan Trustee Services Bank, Ltd. (trust account No.5): 1.83% Association of Shiseido Employees' Investment in the Company's shares: 1.76% STATE STREET BANK WEST CLIENT-TREATY 505234: 1.52% Japan Trustee Services Bank, Ltd. (trust account No.7): 1.50% THE BANK OF NEW YORK MELLON 140044: 1.49% STATE STREET BANK AND TRUST COMPANY 505225: 1.46%	Shiseido Company, Limited: 100%



(10) Operating performance and financial condition of the most recent fiscal year		
Fiscal period	Fiscal year ended December, 2016	Fiscal year ended December, 2016
Net assets	413,870 million yen	246 million yen
Total assets	946,007 million yen	474 million yen
Net asset per share (yen)	984.13 yen	123,135.95 yen
Net sales	850,306 million yen	610 million yen
Operating income	36,780 million yen	11 million yen
Ordinary income	37,174 million yen	11 million yen
Net income attributable to owners of parent	32,101 million yen	8 million yen
Net income per share (yen)	80.41 yen	4,341.70 yen

4. Overview of Company's business that is spun off:

(1) Details of the functions and business to be spun off

Chromatography business owned by the Company

(2) Operating performance of the Object Business

External net sales: 1,038 million yen (for the fiscal year ended December, 2016)

(3) Assets and liabilities and their value (as of June 30, 2017)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	540 million yen	Current liabilities	- million yen
Fixed assets	21 million yen	Fixed liabilities	- million yen
Total	562 million yen	Total	- million yen

(Note) The calculations are based on the balance sheet as of June 30, 2017. The amounts that are actually taken over will be adjusted, taking into consideration the increases and decreases in the amounts listed above that will arise by the date of effectuation.

5. State of affairs after the absorption-type split:

(1) Splitting company

After this absorption-type split, the name, location, representative's name and position, main business lines, capital, and settlement term of the Company will remain unchanged.

(2) Successor company

(1) Name	Shiseido Irica Technology Inc.
(2) Location	12, Nishikawabecho, Higashikujo, Minami-ku, Kyoto
(3) Representative's name and position	Akihiro Ishino, Representative Director, President
(4) Main business lines	Manufacture and sale of analytical equipment (columns, devices, etc.)
(5) Capital	100 million yen
(6) Settlement term	December 31

6. Future outlook:

We believe that this matter has only minor effects on the consolidated financial results of the Company for the fiscal year ending December 2017, but that it will contribute to the profitability growth of Shiseido Group.

- End of News Release -