

(Translation)

August 30, 2018

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: Harumoto Kitagawa
 Department Director
 Investor Relations Department
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**Notice on Determination of the Number of Exercisable Stock Options
 (Stock Acquisition Rights)
 —Fiscal 2015 Long-Term Incentive-Type Remuneration—**

Notice is hereby given that Shiseido Company, Limited (the "Company"), pursuant to Article 236, Article 238 and Article 240 of the Companies Act of Japan, has determined today the number of exercisable stock acquisition rights for the stock options that were allotted as long-term incentive-type remuneration to three directors of the Company who held office in fiscal 2015, excluding external directors, and 15 corporate officers of the Company who held office as of December 31, 2015. The details are described below.

1. Finalization of the Number of Exercisable Stock Acquisition Rights

The Company imposes terms and conditions regarding performance on stock compensation-type stock options as long-term incentive-type remuneration on two occasions: when the stock acquisition rights are allotted and when the exercise period of the stock acquisition rights allotted starts. Based on the comparison of the growth rate of the Company's operating income with that of companies designated as companies to be compared with, the number of exercisable stock acquisition rights allotted in March 2016 to each director or corporate officer was determined as follows.

Grantees of Stock Acquisition Rights	Number of Stock Acquisition Rights*
Directors of the Company (excluding external director) as of fiscal 2015 3 persons	237 rights
Corporate officers of the Company as of December 31, 2015 15 persons	463 rights

*The target number of shares per each stock acquisition right: 100 shares



Note: Details other than above concerning the stock acquisition rights are disclosed in the following documents:

- Notice of Granting of Stock Options (Stock Acquisition Rights) (Date of release: May 15, 2015)
- Notice on Stock Options (Stock Acquisition Rights) Fiscal 2015 Long-Term Incentives-Type Remuneration (Date of release: Feb 23, 2016)
- Notice of Determination of Issue Price (Paid-in Amount), Etc. of Stock Options (Stock Acquisition Rights) Fiscal 2015 Long-Term Incentives-Type Remuneration (Date of release: March 31, 2016)

End of News Release

Reference:

Terms and conditions regarding performance on long-term incentive-type remuneration

The Company imposes terms and conditions regarding performance on stock compensation-type stock options as long-term incentive-type remuneration on two occasions: when the stock acquisition rights are allotted and when the exercise period of the stock acquisition rights allotted starts.

When actually allotting the stock acquisition rights after obtaining an approval for the maximum number of stock acquisition rights to be allotted at the general meeting of shareholders, the Company shall increase or decrease the number of stock acquisition rights to be granted ranging from zero to 130% by using the evaluation indicators for annual bonuses for the immediately preceding fiscal year. In addition, we have introduced a mechanism that when the stock acquisition right exercise period starts, the number of exercisable stock acquisition rights may be determined according to the consolidated performance and other track records up to the immediately preceding fiscal year in the range of 30% to 100% of the allotted number, and thereby strengthen their function as incentives for improving medium- to long-term business performance and achieving the targets.

When stock acquisition rights are allotted

- Use the same indicators as used in calculating annual bonus to each officer. Indicators are consolidated business performance (consolidated net sales, consolidated operating income and net income attributable to owners of parent), evaluation of performance of business of which respective officers are in charge, and personal evaluation.
- Determine the number of stock acquisition rights to be allotted through deliberation by the evaluation working group.

When the exercise period of the stock acquisition rights allotted starts

- Calculate the growth rate of operating income by comparing the operating income for the fiscal years preceding and following the fiscal year in which the stock acquisition rights allotment date is included.
- Calculate the growth rates of operating income for the same fiscal years as above of companies such as Kao Corporation (Japan), L'Oréal S.A. (France) and Estée Lauder Companies Inc. (USA), which are the leading cosmetic companies in Japan and overseas and have been designated in advance as companies to be compared with.
- Based on the comparison of the growth rates of operating income between the Company and the companies for comparison, decide the number of stock acquisition rights allotted to each director or corporate officer that are exercisable.