

November 21, 2019

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
Vice President
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 today, at the meeting of the Board of Directors, Shiseido Company, Limited (hereinafter, the “Company”) determined to take over part of the business related to the *ELIXIR* and *ANESSA* brands (hereinafter, “the business”) from Shiseido Japan Company, Limited (hereinafter, “Shiseido Japan”), a wholly owned subsidiary of the Company, through a company split (simple absorption-type split, hereinafter, “absorption-type split”) effective January 1, 2020.

Since this is a simple absorption-type split (short-form absorption-type split for Shiseido Japan) carried out between the Company and its wholly owned subsidiary, part of the information is omitted from this announcement.

1. Purpose of the absorption-type split:

Driven by its mission, “BEAUTY INNOVATIONS FOR A BETTER WORLD,” the Shiseido Group aims to remain vital for the next 100 years and beyond. In January 2020, we will transfer the brand holder functions* of both *ELIXIR* and *ANESSA* brands from Shiseido Japan to the Company in order to further accelerate the growth of the brands in the overseas markets, such as the Asia Pacific, the Americas and the EMEA regions, thus strengthening our global brand portfolio.

*Global marketing strategy planning, product development, communication creative development, and brand management functions

2. Main points of the absorption-type split:

(1) Schedule

Resolution of the Board of Directors	November 21, 2019
Conclusion of the Agreement	November 25, 2019
Date of Effectuation	January 1, 2020

(Note) For the Company, this is a simple absorption-type company 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 of the absorption-type split agreement.



(2) Method

This absorption-type split involves the Company taking over part of the business from Shiseido Japan.

(3) Allotment of shares

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

(4) Handling of stock acquisition rights and bonds with stock acquisition rights

Not applicable.

(5) Capital increase or decrease

There will be no capital increase or decrease.

(6) Rights and obligations to be transferred to the successor company

The Company will take over assets, liabilities and contractual statuses needed to execute the business, as well as all rights and obligations that accompany such.

(7) Outlook 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 absorption-type split:

	Successor Company (Company)	Splitting Company (Shiseido Japan)
Name	Shiseido Company, Limited	Shiseido Japan Company, Limited
Location	5-5, Ginza 7-chome, Chuo-ku, Tokyo	5-5, Ginza 7-chome, Chuo-ku, Tokyo
Representative's Name and Position	Masahiko Uotani, Representative Director, President and CEO	Shigekazu Sugiyama, Representative Director, President
Main Business Activities	Research, development, manufacture, and sale of cosmetics and other products	Planning and Sale of cosmetics and other products
Capital	64,506 million yen	100 million yen
Date of Establishment	June 24, 1927	December 1, 1927
Number of Shares Issued	400,000,000	8,000,000
Settlement Term	December 31	December 31

	Successor Company (Company)	Splitting Company (Shiseido Japan)
Major Shareholders and Their Shareholding Ratio (except Treasury Stock) (As of June 30, 2019)	The Master Trust Bank of Japan, Ltd. (Trust Account): 11.86% Japan Trustee Services Bank, Ltd. (Trust Account): 5.94% BNYM TREATY DTT 15: 3.10% Mizuho Trust & Banking Co., Ltd., re-trusted to Trust & Custody Services Bank, Ltd. Employees Pension Trust for Mizuho Bank: 2.50% Japan Trustee Services Bank, Ltd. (Trust Account7): 1.96% Japan Trustee Services Bank, Ltd. (Trust Account 5): 1.95% ML PRO SEGREGATION ACCOUNT: 1.77% THE BANK OF NEW YORK 134104: 1.69% SSBTC CLIENT OMNIBUS ACCOUNT: 1.59% JP MORGAN CHASE BANK 385151: 1.52%	Shiseido Company, Limited: 100%
Financial position for the previous fiscal year (ending December 31, 2018)		
(Millions of yen unless otherwise stated)		
	Successor Company (Company) (Consolidation)	Splitting Company (Shiseido Japan)
Net Assets	352,688	54,159
Total Assets	674,102	206,893
Net Assets per Share (Yen)	880.70	2,895.42

4. Overview of the business to split:

(1) Details of the business

Brand holder functions of the **ELIXIR** and **ANESSA** brands

(2) Operating performance of the business

Not applicable



(3) Assets and liabilities of the business to split and their value (as of September 30, 2019)

(Millions of yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current Assets	108	Current Liabilities	63
Fixed Assets	67	Long-term Liabilities	105
Total	175	Total	168

(Note) Calculated based on the balance sheet as of September 30, 2019. The amounts actually transferred will be adjusted, taking into consideration the increases and decreases in the amounts listed above that will arise by the date of effectuation.

5. Overview of the companies after the absorption-type split:

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

6. Future outlook:

This is an absorption-type company split with the Company's wholly owned subsidiary as the splitting company. We believe that the split will have only minor effects on our consolidated financial results for the fiscal year ending December 2019.

-End of News Release-