

January 31, 2005

Results of the Special Early Retirement Incentive Plan

Shiseido Co., Ltd. (President: Morio Ikeda; Head Office: Chuo-ku, Tokyo) reported that the Special Early Retirement Incentive Plan, announced on October 28, 2004, has reached its application deadline. Application results and the impact on financial results are as follows.

1. Outline of the Solicitation

- (1) Eligibility: Full-time employees working for the Company and its domestic Group companies who will be between 50 and 59 years of age, and will have been in service for 15 or more years, as of March 31, 2005.
- (2) Number of applications sought: Approx. 1,000
- (3) Application period: From December 13 to December 24, 2004
- (4) Date of retirement: March 31, 2005
- (5) Retirement incentive: An additional lump-sum amount will be added to the ordinary retirement benefit. Reemployment support services will also be offered to applicants.

2. Application Results

- (1) Number of applicants: 1,364
- (2) Total amount of additional lump-sum payments:
[Consolidated] Approx. ¥30 billion
[Non-consolidated] Approx. ¥11 billion

3. Impact on Financial Results:

The Company will account for the above additional lump-sum payments as an extraordinary loss in the year ending March 31, 2005. The impact has been reflected in “3. Revision to the Operating Results Forecast for the Fiscal Year ending March 31, 2005” within the “Consolidated Financial Results for the Nine Months ended December 31, 2004”, announced today.