

Shiseido to Appoint External Directors Aimed at Strengthening Corporate Governance

In seeking to further augment supervisory functions of business operations via the Board of Directors, Shiseido Co., Ltd. will appoint external directors as part of strengthening corporate governance aimed at realizing quick response and raising transparency of management. Following approval at the Ordinary General Meeting of Shareholders to be held in June, Mr. Shoichiro Iwata, President and CEO of Askul Corporation, and Professor Tatsuo Uemura, Director of Waseda Institute for Corporation Law and Society, will be appointed as the company's first external directors.

Purpose of Introducing External Directors

Shiseido is currently undertaking management reforms in order to realize efficient, competitive management, and in turn enhance corporate value. From the perspective of corporate governance, Shiseido has been implementing organizational and management structure reforms centering on reform of the Board of Directors, which entails realizing swift decision-making and execution and stronger supervision by the board, while also enabling Corporate Officers to carry out business operations in a flexible manner.

Shiseido has been undertaking efforts to pursue appropriate and effective corporate governance. Specifically, the company is working to enhance management flexibility and define responsibilities through the introduction of a Director and Corporate Officer system, in which the latter members serve one-year terms, along with the separation of functions of the Board of Directors, whereby Directors oversee decision-making and supervision and Corporate Officers are in charge of the execution of operations. In addition to the establishment of the Advisory Board, Remuneration Committee and Director Nomination Advisory Committee for the purpose of increasing management transparency and soundness, Shiseido has also set up Corporate Executive Officer Committee to reinforce decision-making functions, along with five committees under jurisdiction of the Board of Directors that act as deliberation bodies regarding issues related to risk and compliance.

The appointment of External Directors at this time is to introduce external perspectives into management and further strengthen the supervisory functions of business operations. Shiseido will leverage its management speed by designating Board of Directors functions exclusively toward decision-making with regard to major management issues and supervision, together with shifting the

delegation of authority to Corporate Officers.

Shiseido will further strengthen its corporate governance in order to carry out its social responsibility as a company as well as achieve sustainable growth and continuously gain support as a valuable company from all stakeholders including customers, business partners, shareholders, employees and society.

Reasons of Appointing External Directors

The two External Directors to be appointed at the Ordinary General Meeting of Shareholders will be Mr. Shoichiro Iwata, President and CEO of Askul Corporation, and Mr. Tatsuo Uemura, Professor of Waseda Institute for Corporation Law and Society.

Mr. Iwata has been previously engaged in the establishment of Askul Corporation at Plus Corporation as well as serving as the Committee Chairman of the Business Promotion Forum organized by the Japan Association of Corporate Executives. Based on his experience as a manager who is capable of dealing with various management issues extending beyond a conventional framework, Shiseido has called on Mr. Iwata for the purpose of reflecting his broad range of insights into Shiseido's management.

Mr. Uemura has been conducting research into legal systems directed toward building a society in which companies and individuals are united. Since he has a great deal of knowledge pertaining to both corporate and securities and exchange laws, Shiseido appointed Mr. Uemura as an External Director to support Shiseido's efforts in strengthening its corporate governance, including such efforts as increasing the speed and raising the transparency of management.

Reference

Shoichiro Iwata

August 1950	Born in Osaka
March 1973	Graduated from Faculty of Business and Commerce, Keio University, Joined Lion Fat and Oil Co., Ltd. (currently Lion Corporation)
March 1986	Joined Plus Corporation
March 1997	Appointed President of ASKUL Corporation
March 2000	Appointed President & CEO, ASKUL Corporation

Main official duties:

Manager of KEIZAI DOYUKAI (Japan Association of Corporate Executives)
Member of Planning and Operation Committee for KEIZAI DOYUKAI Business Promotion Forum
Committee Chairman of KEIZAI DOYUKAI Business Promotion Forum
Member of Advisory Board, NTT DoCoMo, Inc.
Member of Advisory Board, Monex Beans Holdings, Inc.

Tatsuo Uemura

April 1948	Born in Tokyo
March 1971	Graduated from Waseda University, School of Law
March 1977	Completed doctoral courses at Graduate School of Law, Waseda University
April 1977	Appointed full-time Instructor, Faculty of Law, The University of Kitakyushu
April 1979	Appointed Associate Professor, Faculty of Law, The University of Kitakyushu
April 1981	Appointed Associate Professor, School of Law, Senshu University
April 1986	Appointed Professor, School of Law, Senshu University,
April 1990	Appointed Professor, College of Law and Politics, Rikkyo University
April 1997	Appointed Professor, School of Law, Waseda University
October 2003	Appointed to the concurrent posts of Head Professor, Center of Excellence-Waseda Institute for Corporation Law and Society; Professor of Graduate School of Law, Waseda University

Main official duties:

Provisional committee member of the Industrial Structure Deliberation Council, Ministry of
Economy, Trade and Industry

Director of the Japan Investor Protection Fund

Committee member of the Self-Regulation Committee, Tokyo Stock Exchange, Inc.

Director, Japan Association of Corporate Directors

Member of Advisory Board, NTT DoCoMo, Inc.

Chairman of the Judging Committee in the Investor Relations and Advertising categories for the
NIKKEI ADVERTISING AWARDS

Outside Director of Jaspac Securities Exchange Inc.

Councilor, Japan Securities Research Institute (JSRI)