

(Translation)

October 26, 2006

Notice of Change of Subsidiary

Notice is hereby given that Shiseido Company, Limited (the "Company") determined to include Selan Anonymous Association in consolidation as a subsidiary, as described below:

Description

1. Reason for the change:

The Accounting Standards Board of Japan has clarified the treatment of investment associations in its "Practical Solutions on Application of Control Criteria and Influence Criteria to Investment Associations" dated September 8, 2006 (ASBJ Practical Solutions Report No.20). Accordingly, the Company has determined to include Selan Anonymous Association in consolidation as a subsidiary as from the interim period of the fiscal year ending March 31, 2007.

2. Outline of Selan Anonymous Association:

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| (1) Company name: | Selan Anonymous Association | |
| (2) Location: | (Operator) | Sakura Sogo Jimusho, 11, Kanda
Jinbocho 1-chome, Chiyoda-ku, Tokyo |
| | (Anonymous member) | 5-5, Ginza 7-chome, Chuo-ku, Tokyo |
| (3) Representative: | (Operator) | Shigeru Sugimoto, Director
Yugen Kaisha Selan |
| | (Anonymous member) | Shinzo Maeda,
President & CEO and
Representative Director
Shiseido Company, Limited |
| (4) Establishment: | March 27, 2001 | |
| (5) Business activities: | Possession and lease of the building of the building of
Shiodome Tower (Shiseido's Shiodome Office) and
equipment appertaining thereto | |
| (6) Capital: | ¥11,600 million | |
| (7) Date of settlement of accounts: | December 31 of each year | |
| (8) Investor: | Shiseido Company, Limited: 100% | |

3. Date of change: September 30, 2006

4. Future outlook:

The change will have no significant impact on the Company's (consolidated/
non-consolidated) operating results for the fiscal year ending March 31, 2007.

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