[Translation]

SHISEIDO

April 30, 2008

Non-continuation of Plan for Countermeasures to Large-scale Acquisitions of Shiseido Co., Ltd. Shares (Takeover Defense Measures)

Shiseido Co., Ltd. (the "**Company**") has adopted a plan for countermeasures against large-scale acquisitions of its shares (known as an advance-warning rights plan; hereinafter, the "**Plan**") based on the approval of its shareholders obtained at the 106th Ordinary General Meeting of Shareholders held on June 29, 2006. The Plan is effective until the conclusion of the 108th Ordinary General Meeting of Shareholders, which is scheduled for June 25, 2008 (the "**Shareholders Meeting**").

The Company decided at its board of directors meeting held today that it will not continue the Plan after the conclusion of the Shareholders Meeting and consequently resolved to propose at the Shareholders Meeting that the Articles of Incorporation be amended. The Company thus announces as follows.

1. Reasons for Discontinuation of the Plan

At its board of directors meeting held on April 27, 2008, the Company established a basic policy regarding control over the Company (the "**Basic Policy**"). It adopted the Plan based on the approval of its shareholders obtained at the 106th Ordinary General Meeting of Shareholders held on June 29, 2006, as a measure to prevent decisions on the Company's financial and business policies from being controlled by persons viewed as inappropriate under the Basic Policy.

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Since April 2005 the Company has also promoted a three-year mid-term business plan aimed towards “increasing growth and profitability” (for fiscal years 2005 to 2007; the “**Previous Three-Year Plan**”). The Previous Three-Year Plan contains three central pillars: (a) “domestic marketing reform,” centering on developing long selling brands and lines; (b) ““further strengthening global development ,” under which China is the market of primary importance; and (c) “fundamental structural reforms,” starting with restructuring unprofitable businesses and brands. The Company has also been making efforts to enhance its brand value and maximize its corporate value, aiming toward being considered a company of value by all of its stakeholders—namely, its shareholders, customers, business partners, vendors, employees, and society as a whole.

As a result, the Previous Three-Year Plan was strongly supported by our stakeholders and the Company was able to achieve the outcomes as originally planned.

In anticipation of making a further leap forward, the Company started a new three-year mid-term business plan for fiscal years 2008 through 2010 (the “**New Three-Year Plan**”). Under the New Three-Year Plan, the Company will aim to become a “Global Player representing Asia with its origins in Japan.” It will create “a brand loved by customers throughout the world” and establish the “ unsurpassed, world-class quality of business management recognized worldwide” in order to continually “increase growth and profitability.” Accordingly, the Company aims to achieve consolidated annual average sales growth of 4 to 5%, an overseas sales ratio of 40% or higher, consolidated operating profit on sales of 10% or higher, and a consolidated ROE of 1 to 2 points higher than the figures of operating profit.

It was under these circumstances that the Company diligently discussed how to deal with the Plan, which is set to expire on the conclusion of the Shareholders Meeting, taking into account the advice of the Independent Committee members (composed of two outside directors and one outside statutory auditor).

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After the discussion, the Company concluded, in light of circumstances such as the amendments to laws and ordinances regarding large-scale acquisitions, that the Company should implement the New Three-Year Plan steadily, instead of asking shareholders to vote in favor of continuation of the Plan, in order to increase its competitiveness and maintain sustainable growth in the global markets and to assure or increase its corporate value and the common interests of its shareholders. The Company therefore passed a resolution at its board of directors meeting held today to abolish the Basic Policy upon the conclusion of the Shareholders Meeting and thereafter not to continue the Plan.

The Company will use its best efforts to achieve the goals set in the New Three-Year Plan, and we would like to ask you, our stakeholders, for your support on this decision of the Company.

2. Amendment to Articles of Incorporation

(1) Purpose of Amendment

Regarding the gratis allotment of stock acquisition rights as a part of the takeover defense measures under the Plan, the Company established Article 15 in the Articles of Incorporation as the grounds (i) to give the general meeting of shareholders the power to determine any matters with respect to the gratis allotment of stock acquisition rights, or (ii) to give the general meeting of shareholders the power to assign the authorization to determine any matters with respect to the gratis allotment of stock acquisition rights to the board of directors in accordance with certain terms and conditions set by the shareholders. The Company now proposes, however, to delete Article 15 in its entirety, as it has decided not to continue the Plan.

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(2) Details of Amendments

Current provisions	Proposed amendments
Article 15 (Decision-Making Organization Relating to Gratis Allotment of Stock Acquisition Rights) Matters relating to the gratis allotment of Stock Acquisition Rights may be determined by a resolution of the Board of Directors, as well as by the resolution of the general meeting of shareholders, or by a resolution of the Board of Directors by the assignment of authorization in accordance with a resolution of the general meeting of shareholders.	(Delete)
Articles 16 to 41 (Provisions Omitted)	Articles 15 to 40 (Same as the version before the amendments)

3. Schedule (planned)

Wednesday, June 25, 2008	Date of Shareholders' Meeting for the Amendment to the Articles of Incorporation
Wednesday, June 25, 2008	Effective Date of the Amendment to the Articles of Incorporation