



(Translation)

September 30, 2008

Dear Sirs,

Name of the Company: Shiseido Company, Limited  
Name of the Representative: Shinzo Maeda  
President & CEO  
(Representative Director)  
(Code No. 4911; The First Section of the Tokyo Stock Exchange)  
Inquiries shall be directed to: Yukihiro Saito  
Head of Investor Relations,  
Financial Department  
(Tel: 03 - 3572 - 5111)

#### Notice of Subsidiary Merger

Shiseido Co., Ltd. hereby announces that its Board of Directors has resolved to merge Shiseido Europe S.A.S. and Shiseido France S.A., both sub-subsidiaries of the Company in France. The specific terms of the merger are as described below.

#### **1. Reasons for merger**

The Shiseido Group is currently pursuing a three-year plan of structural reforms that was launched in 2008 with the goal of improving quality across the board and helping the Company become a “Global Player that is representative of Asia with its origins in Japan.” As part of this plan, the Company’s French sub-subsidiary, Shiseido France S.A., will merge with sub-subsidiary Shiseido Europe S.A.S., effective October 1, 2008, with Shiseido Europe S.A.S. as the surviving company.

Through the merger, Shiseido is seeking to strengthen marketing functions and infrastructure, boost *SHISEIDO* brand presence in the European market, and improve profitability. The Company aims to share expertise and improve execution by integrating functions at both companies.

#### **2. Summary of merger**

##### (1) Time schedule for the merger

Board of Directors meeting to approve merger agreement	September 30, 2008
Conclusion of merger agreement	September 30, 2008 (scheduled)
Date of merger	October 1, 2008
Registration of merger	October 15, 2008 (scheduled)



(2) Method of the Merger

The merger procedure will be a merger by absorption, whereby Shiseido Europe S.A.S. will be the surviving company and Shiseido France S.A. will be dissolved.

(3) Merger ratio

Shiseido Europe S.A.S.	Shiseido France S.A.
1	0.12

**3. Overview of subsidiaries**

Company name	Shiseido Europe S.A.S. (surviving company)	Shiseido France S.A. (company to be dissolved)
Main business	Import and export of cosmetic products	Sales of cosmetic products
Established	December 6, 2004	April 18, 1980
Location	79 rue Marcel Dassault, 92100 Boulogne, France	79 rue Marcel Dassault, 92100 Boulogne, France
Representatives	Atsushi Sato	Gerald Chriqui and Hitoshi Yoshida
Fiscal year	December 31	December 31
Number of employees	33	105
Capital	7,000 thousand euros	13,100 thousand euros
Common shares issued and outstanding	700,000	873,334
Net assets (as of December 31, 2007)	17,507 thousand euros	2,569 thousand euros
Total assets (as of December 31, 2007)	53,906 thousand euros	11,285 thousand euros
Shareholding ratio	Shiseido International Europe S.A.* – 100%	Shiseido International Europe S.A.* – 100%
Relationship of the merging companies	Capital relationship	There are no capital ties between the companies.
	Personnel relationship	One board member of the surviving company is serving as a board member of the company to be dissolved.
	Business relationship	Mutually engage in business transactions as a general supplier and buyer.

\*Shiseido International Europe S.A. is a wholly owned subsidiary of Shiseido Co., Ltd.

**4. Status after merger**

Company name	Shiseido Europe S.A.S.
Main business	Import, export and sales of cosmetic products
Location	79 rue Marcel Dassault, 92100 Boulogne, France
Representative	Atsushi Sato
Capital	9,000 thousand euros
Fiscal year	December 31



## **5. Future outlook**

The impact of the aforementioned merger on Shiseido's business results in the year ending March 2009 is minimal.

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