

June 30, 2015

Dear Sirs and Madams,

Name of Company: Shiseido Company, Limited
Name of Representative: Masahiko Uotani
President & CEO
(Representative Director)
(Code No. 4911; The First Section of the Tokyo Stock
Exchange)
Contact: Tetsuaki Shiraiwa
General Manager of Investor
Relations Department
(Tel: +81 -3 - 3572 - 5111)

Notice of Company Split with a Consolidated Subsidiary (Simple Absorption-type Split)

It is hereby notified that today, at the meeting of the Board of Directors, Shiseido Co., Ltd. (the “Company”) determined that it would let its wholly owned subsidiary, Shiseido Sales Co., Ltd., (“Shiseido Sales”) take over part of the Company’s cosmetics business in Japan (the “Object Business”) through a company split (absorption-type split) effective October 1, 2015. The Board of Directors also resolved that the trade name of Shiseido Sales would be changed to “Shiseido Japan Co., Ltd.” in order to clarify its position as the regional headquarters in Japan.

Since this is a simple absorption-type split carried out between the Company and its wholly owned subsidiary, we omit part of the matters to be disclosed.

1. Purposes of this absorption-type split, etc.:

We are pushing forward with a wide range of reforms as we strive to realize “VISION 2020,” the medium-to-long term strategy we announced in December of last year. As part of the strategy, in order to develop strong brands and ensure implementation of marketing programs that suit each region of the world, we have started to shift to a new matrix organizational structure based on the brand axis and regional axis. Under this system, we divide our business into several categories by point of contact with customers such as “prestige,” “cosmetics,” “personal care,” “digital,” and others. Under the regional axis, we divide the regions and markets of the world into Japan, China, Asia, the Americas, Europe, and Travel Retail. By combining these categories and regions/markets, we are establishing the optimal organizational structure for global business operations.

In shifting to the new organizational structure, we emphasize “regional, front-line focus,” “flat organization,” “speed,” and “accountability.” For each region, we will set up a regional headquarters that has authority and responsibility for all business activities in the region, and each headquarters will make the maximum use of local needs and know-how to establish a system that exceeds in executive ability.



As part of these initiatives, the Company aims to build an integrated framework. Functions of R&D, product development and sales are to be integrated under new framework for adequate and prompt response to changes of consumers and marketing environment in Japanese cosmetics market, one of the most significant markets for the Shiseido Group. Toward this end, the Company will execute this absorption-type split to let Shiseido Sales take over part of the Company's business, set up Japanese regional headquarters based on Shiseido Sales, and change its trade name.

2. Main points of the absorption-type split:

(1) Schedule

Date of resolution of the Board of Directors	June 30, 2015
Date of conclusion of an agreement	August 31, 2015
Date of effectuation	October 1, 2015

(Note) For the Company, this is a simple absorption-type split as stipulated in Article 784 Paragraph 2 of the Companies Act. Therefore, the Company will not convene a general meeting of shareholders to seek approval for the agreement of the absorption-type split.

(2) Method

This absorption-type split involves the Company spinning off part of its business and Shiseido Sales taking it over.

(3) Allotment of shares

Since this absorption-type split is carried out between the Company and its wholly owned subsidiary, none of the Company's shares will be allotted in conjunction with the split, nor will any equivalent value be paid.

(4) Handling of subscription warrant and bonds with subscription warrant

Not applicable

(5) Capital increase or decrease

There will be no capital increase or decrease.

(6) Rights and duties taken over by the successor company

Shiseido Sales will take over all assets and liabilities and contractual statuses it needs to execute the business it takes over, as well as all rights and obligations that accompany them.

(7) Prospect of performing obligations

The Company determines that there is no problem as to whether Shiseido Sales can perform its obligations after the absorption-type split.

3. Overview of the companies involved in the organizational restructuring:

	Splitting company (Shiseido)	Successor company (Shiseido Sales)
(1) Name	Shiseido Co., Ltd.	Shiseido Sales Co., Ltd.
(2) Location	5-5, Ginza 7-chome, Chuo-ku, Tokyo	27-16, Shiba 5-chome, Minato-ku, Tokyo
(3) Representative's name and position	Masahiko Uotani, Representative Director, President & CEO	Toru Sakai, President and Representative Director
(4) Main business lines	Research, development, manufacture, and sale of cosmetics and other products	Sale of cosmetics and other products in Japan
(5) Capital	64,506 million yen	100 million yen
(6) Date of establishment	June 24, 1927	December 1, 1927
(7) Number of shares issued	400,000,000	31,805,299
(8) Settlement term	December 31 (starting from the term to December 2015)	December 31 (starting from the term to December 2015)
(9) Major shareholders and shareholding ratios	JP MORGAN CHASE BANK 380055: 7.44% The Master Trust Bank of Japan, Ltd. (trust account): 7.11% Mizuho Bank, Ltd.: 5.32% Japan Trustee Services Bank, Ltd.(trust account): 3.40% Shiseido Employees' Stockholding: 2.35% Sompo Japan Nipponkoa Insurance Inc.: 1.48% Nippon Life Insurance Company: 1.40% Mitsui Sumitomo Insurance Co., Ltd.: 1.40% THE BANK OF NEW YORK MELLON SA/NV 10: 1.32% STATE STREET BANK AND TRUST COMPANY: 1.31%	Shiseido Co., Ltd.: 100%

	Splitting company (Shiseido)	Successor company (Shiseido Sales)
(10) Operating performance and financial condition of the most recent fiscal year		
Fiscal period	Fiscal year ended March, 2015	Fiscal year ended March, 2015
Net assets	346,843 million yen	7,645 million yen
Total assets	601,186 million yen	122,626 million yen
Net asset per share (yen)	867.04 yen	240.38 yen
Net sales	241,099 million yen	261,815 million yen
Operating income (loss)	19,074 million yen	-2,071 million yen
Ordinary income (loss)	39,933 million yen	-1,648 million yen
Net income (loss)	30,498 million yen	-2,043 million yen
Net income (loss) per share (yen)	76.49 yen	-64.26 yen

4. Overview of Shiseido's business that is spun off:

(1) Details of the business

Cosmetics business in Japan (planning and sale, etc. of cosmetics, cosmetics accessories, and toiletries)

(2) Operating performance of the Object Business

Net sales: 141,884 million yen (for the fiscal year ended March, 2015)

(Note) Over 99% of above mentioned net sales are sales to Shiseido Sales (internal sales).

(3) Assets and liabilities and their value (as of March 31, 2015)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	474 million yen	Current liabilities	772 million yen
Fixed assets	6,714 million yen	Fixed liabilities	3,813 million yen
Total	7,189 million yen	Total	4,585 million yen

(Note) All these figures are calculated based on the balance sheet as of March 31, 2015. The amounts that are actually taken over will be adjusted taking into consideration increases and decreases in the amounts listed above which will arise by the date of effectuation.

5. State of affairs after the absorption-type split:

(1) Splitting company

After this absorption-type split, the name, location, representative's name and position, main business lines, capital, and fiscal period of the Company will remain unchanged.



(2) Successor company

In conjunction with this absorption-type split, Shiseido Sales will change its trade name and the location of its registered head office on October 1, 2015. With the approval of the Company's 115th annual general meeting of shareholders held on June 23, 2015 through its resolution, the Company changed its fiscal period from March 31 to December 31 of each year, and with this change, Shiseido Sales has also changed its fiscal period to December 31.

Name	Shiseido Japan Co., Ltd.
Location	5-5, Ginza 7-chome, Chuo-ku, Tokyo
Representative's name and position	Toru Sakai, President and Representative Director
Main business lines	Cosmetics business in Japan (planning and sale, etc. of cosmetics, cosmetics accessories, and toiletries)
Capital	100 million yen
Settlement term	December 31
Net assets	10,249 million yen
Total assets	129,815 million yen

6. Future outlook:

This is an absorption-type company split by the Company with its wholly owned subsidiary as the successor company. We believe that the split has only minor effects on the consolidated financial results of the Shiseido Group for the fiscal year ending December, 2015. We think it will contribute to expanding the Shiseido Group's business in Japan and making it more efficient in the future.

-End of News Release-