



October 27, 2016

(Translation)

Dear Sirs and Madams,

Name of Company: Shiseido Company, Limited
Name of Representative: Masahiko Uotani
President and CEO
(Representative Director)
(Code No. 4911; The First Section of the Tokyo Stock Exchange)
Contact: Tetsuaki Shiraiwa
Department Director
Investor Relations Department
Corporate Communication Division
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Notice of Merger between Consolidated Subsidiaries

It is hereby notified that wholly owned subsidiaries of Shiseido Company, Limited (the “Company”) Shiseido Japan Company, Limited (“Shiseido Japan”) and Shiseido Information Network Company, Limited (“Shiseido Information Network”) have determined that they will carry out an absorption-type merger, with Shiseido Japan as the surviving company, as described below.

1. Purpose of the merger

The Company established Shiseido Information Network in 1996 with the aim of strengthening interactive communication between the Shiseido Group’s cosmetics businesses and customers, and developing customer-based information networks. However, the Company has decided to merge Shiseido Information Network with Shiseido Japan in order to operate and improve in-store devices and counseling devices in close cooperation with the sales sites, and to strongly promote the development of future-oriented in-store and counseling devices.

2. Main points of the merger

(1) Schedule

Date of the subsidiaries’ shareholder meetings that approved the company merger	October 27, 2016
Date of conclusion of a merger agreement	November 25, 2016
Scheduled date of merger (Date of effectuation)	January 1, 2017



(2) Method

This absorption-type merger involves Shiseido Japan, the surviving company, absorbing Shiseido Information Network, the non-surviving company.

(3) Allotment of shares

This merger will not involve any issue of new shares or increase in capital.

(4) Handling of subscription warrants and bonds with subscription warrants of the non-surviving company

Not applicable.

3. Overview of the companies involved in the merger

	Surviving company (Shiseido Japan)	Non-surviving company (Shiseido Information Network)
Trade name	Shiseido Japan Company, Limited	Shiseido Information Network Company, Limited
Main business lines	Sale of cosmetics and other products	Research, development, sales, and operational management of computer systems and information processing software, as well as consulting related services and others
Date of establishment	December 1, 1927	October 1, 1996
Location of head office	5-5, Ginza 7-chome, Chuo-ku, Tokyo	5-5, Ginza 7-chome, Chuo-ku, Tokyo
Representative's name and position	Toru Sakai, Representative Director, President and CEO	Masanori Okabe, Representative Director, President
Capital	100 million yen	10 million yen
Settlement term	December 31	December 31
Shareholder composition	Shiseido Company, Limited: 100%	Shiseido Company, Limited: 100%

4. State of affairs after the merger

Trade name	Shiseido Japan Company, Limited
Main business lines	Sale of cosmetics and other products
Date of establishment	December 1, 1927
Location of head office	5-5, Ginza 7-chome, Chuo-ku, Tokyo
Representative's name and position	Toru Sakai, Representative Director, President and CEO (Note)
Capital	100 million yen
Settlement term	December 31
Shareholder composition	Shiseido Company, Limited: 100%

(Note) The representative of Shiseido Japan is as of December 31, 2016. The representative is subject to change after January 1, 2017, the date of effectuation of the absorption-type merger.



5. Future outlook

We believe that the merger has only minor effects on the consolidated financial results of the Shiseido Group for the fiscal year ending December 2016.

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