(Translation)

September 30, 2015

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
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 Company, Limited (the "Company") determined that it would let its wholly owned subsidiary, Shiseido Sales Co., Ltd., ("Shiseido Sales") take over part of the Company's corporate functions in Japan and the healthcare business through a company split (simple absorption-type split) effective January 1, 2016. The Board of Directors already resolved and disclosed in June this year that part of the Company's cosmetics business in Japan would be taken over by Shiseido Sales effective October 1, 2015 through a company split, and along with the company split being announced today, the regional headquarters in Japan will start full-scale operations.

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:

As part of the reforms directed toward the realization of "VISION 2020," the medium-to-long term strategy announced in December of last year, we have started to shift to a matrix organizational structure based on a brand axis and regional axis in order to develop strong brands and enable the implementation of marketing programs that suit each region of the world. For each region, we will set up a regional headquarters that has authority and responsibility for business activities in the region, and each headquarters will make the maximum use of local needs and know-how to establish a system that excels in executive ability.

As announced in June this year, the trade name of Shiseido Sales will be changed to "Shiseido Japan Co., Ltd." on October 1, 2015, and it will start operating as the regional headquarters in Japan. In addition, by transferring part of the corporate functions in Japan and the healthcare business to the Shiseido Sales through this absorption-type split, the regional headquarters in Japan, which has authority and responsibility for business activities in Japan, will commence operations from January

1, 2016. The Company will establish a framework in which integrated marketing will be implemented based on the brand axis and will become further committed to customer-oriented activities.

2. Main points of the absorption-type split:

(1) Schedule

Date of resolution of the Board of Directors	September 30, 2015
Date of conclusion of an agreement	November 26, 2015
Date of effectuation	January 1, 2016

(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 & liabilities and contractual statuses needed to execute part of corporate functions in Japan and the healthcare business, as well as all rights and obligations that accompany such.

(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 (Company)	Successor company (Shiseido Sales)
(1) Name	Shiseido Company, Limited	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 and 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)

	Splitting company (Shiseido)	Successor company (Shiseido Sales)
(9) Major shareholders and shareholding ratios (as of March 31, 2015)	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 Company, Limited: 100%
(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 Company's business that is spun off:

(1) Details of the functions and business to be spun off

Part of corporate functions in Japan and the healthcare business

(2) Operating performance of the Object Business

Net sales: 6,946 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 June 30, 2015)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	2,072 million yen	Current liabilities	177 million yen
Fixed assets	508 million yen	Fixed liabilities	1,757 million yen
Total	2,581 million yen	Total	1,935 million yen

(Note) All these figures are calculated based on the balance sheet as of June 30, 2015. The amounts that are actually taken over will be adjusted, taking into consideration the increases and decreases in the amounts listed above that 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

As already announced, Shiseido Sales will change its trade name and the location of its registered head office on October 1, 2015. With the approval at the Company's 115th annual general meeting of shareholders held on June 23, 2015 through a 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 the end of 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, toiletries, and healthcare)
Capital	100 million yen
Settlement term	December 31
Net assets	12,067 million yen
Total assets	127,842 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-