December 9, 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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Notification of Launch of a New Business
Shiseido Establishes "Shiseido Venture Partners"
- First Investment in dricos, Inc. -

Shiseido Company, Limited will establish an internal venture capital organization, Shiseido Venture Partners (SVP) to make investments in new ventures that develop and operate innovative businesses.

As part of the company's Open Innovation scheme, SVP will support ventures from financial and business perspectives and aim to grow together taking into account future business development, including business alliance.

Shiseido has decided on dricos, Inc. as its first venture investment (headquarters: Yokosuka, Kanagawa prefecture; CEO: Yasuhiro Take, hereinafter dricos).

1. Setup of SVP

Open Innovation scheme promoted in the Shiseido Group aims to create innovative products and services related to "beauty" by combining the technologies and ideas of other companies, and to create new values and new markets based thereupon. Its purpose is for the company to maintain global competitive advantages and leading position in the industry. To bring these ideas into life, the company will set up SVP

with functions of corporate venture capital within Business Development Department in the company's headquarters.

SVP will study and select target ventures with unique business assets and examine the appropriate amount of investment. Through active investments in promising ventures, Shiseido will accelerate the accomplishment of its mid to long term business strategy, VISION 2020.

At the same time, SVP will also aim at talent development by allowing the employees involved in its operation to experience and understand the managerial mindset and approaches characteristic of the venture industry, as well as the process and speed of commercialization of original business ideas.

【Outline of SVP】

Name: Shiseido Venture Partners (SVP)

Business: Corporate venture capital

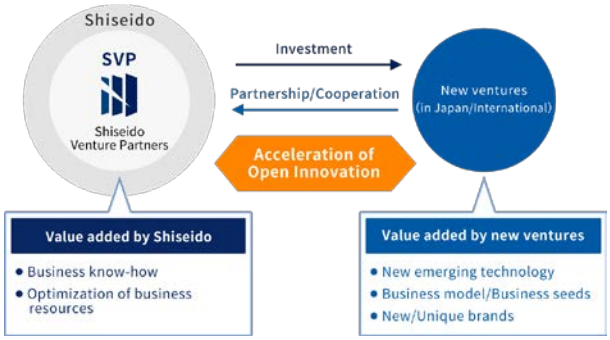
Ceiling on investment: Three billion yen

Target businesses: Technologies that create "beauty", technologies and ideas that create and communicate "beauty", and new business structures that deliver "beauty".

Contact information: contact_svp@shiseidoventurepartners.jp

HP: http://www.shiseidoventurepartners.jp (Japanese only)

【Business activity: Image】



2. Investment in dricos, Inc.

dricos is developing a supplement appliance that provides necessary nutrients, individually selected based on the analyzed biometric/anthropometric data. The world is expected to become more health-conscious, and the aging society creates more demands in the health foods industry, therefore companies are focusing more on optimizing their products and services to align with consumers' needs, diversifying in various fields. Under these circumstances, Shiseido has chosen dricos as its first venture investment, expecting the venture's significant growth in the future. Going forward, Shiseido will strive to develop new services utilizing the products and services of dricos.

【Outline of dricos, Inc.】

Name: dricos, Inc.

CEO: Yasuhiro Take

Address: Oppamaminami-chou, Yokosuka, Kanagawa

Founded: January 2012

Business: Developing and manufacturing a supplement appliance that tailors and provides necessary nutrients

HP: http://dricos.co.jp/ (Japanese only)

3.Future outlook

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

- End of News Release -