



(Translation)

**ARTICLES OF INCORPORATION  
OF  
SHISEIDO COMPANY, LIMITED**

**Chapter I. General Provisions**

(Trade name)

Article 1. The Company shall be called Kabushiki Kaisha Shiseido.

In English, it shall be written Shiseido Company, Limited.

(Objectives)

Article 2. The objectives of the Company shall be to engage in the following businesses:

- (1) Manufacture, sale, export and import of cosmetics, soap, detergents, dentifrice, medicine and quasi-medicine, reagents and pigments, and poisonous and deleterious substances;
- (2) Manufacture, sale, export and import of raw materials and materials of the products mentioned in the foregoing item;
- (3) Acceptance of safety tests and analytical tests on the products, raw materials and materials mentioned in any of the foregoing items;
- (4) Manufacture, sale, export and import of medical machinery and instruments, analysis and measuring machinery and instruments, Japanese and other papers, stationery, sanitary supplies, household insecticides and insectifuges, toiletries, clothing, personal notions, sundry daily goods, wigs, sporting goods, arts and crafts, jewels and precious metals;
- (5) Manufacture and sale of carbonated and other drinks, foods and food additives;



- (6) Acquisition and sale of industrial properties and other intellectual properties, know-how, and software relating to computers, images, music, etc.;
- (7) Mediation of web marketing, planning, management and administration of shopping malls and points services and consulting business related thereto;
- (8) Collection, analysis, administration of information, information treatment services, and information providing services;
- (9) Advertisement agency business;
- (10) Sale of revenue and postage stamps, measuring instruments and weights;
- (11) Printing, plate-making, publication, electronic publication and photography, and sale of publication;
- (12) Development, design and sale of systems and equipment relating to beauty art (hairdressing, Japanese and Western styling, facial treatment, hair care, manicure and body beauty treatment), hair cutting, medical treatment, health care, hygiene and athletics, operation of facilities therefor and the business of engaging in such activities on commission and rendering consulting services in respect thereof;
- (13) Acting as promoters of music, art, drama, sports and other cultural events, and sale and sale mediation of tickets and complimentary tickets related thereto;
- (14) Management of hotels and wedding halls and the business of engaging in such management on commission and rendering consulting services in respect thereof;
- (15) Automotive transportation, automotive forwarding, warehousing and freight packing businesses;
- (16) Business of engaging in sale, purchase, brokerage, leasing out and management of real estate, civil engineering and architectural work, and travel businesses;
- (17) General leasing, factoring and money lending businesses; and
- (18) Any and all activities incidental to any of the foregoing items.



(Location of head office)

Article 3. The Company shall have its head office in Chuo-ku, Tokyo.

(Organs)

Article 4. The Company shall have the following organs in addition to the general meeting of shareholders and Directors:

- (1) The Board of Directors;
- (2) Corporate Auditors;
- (3) The Board of Corporate Auditors; and
- (4) Account Auditors.

(Method of giving public notices)

Article 5. The method of giving public notices of the Company shall be electronic notification. In the event that the Company cannot give a public notice in electronic form due to any accident or any other unavoidable cause, such public notice shall be inserted in the Nihon Keizai Shimbun.

## **Chapter II. Shares**

(Total number of shares to be issued by the Company)

Article 6 The total number of shares authorized to be issued by the Company shall be 1,200,000,000 shares.

(Acquisition by the Company of its own shares)

Article 7. By resolution of the Board of Directors, the Company may acquire its own shares pursuant to the provision of Article 165, paragraph 2 of the Corporation Law of Japan.

(Number of shares constituting one unit)



Article 8. The number of shares constituting one unit of shares of the Company shall be 100 shares.

(Rights in respect of less-than-one-unit shares)

Article 9. Any shareholder who holds less-than-one-unit shares of the Company cannot exercise any right other than those listed below, in respect of their less-than-one-unit shares:

- (1) The rights as provided for in the items of Article 189, paragraph 2 of the Corporation Law of Japan;
- (2) The rights that can be requested pursuant to Article 166, paragraph 1 of the Corporation Law of Japan;
- (3) The rights to the allocation of shares and stock acquisition rights offered to shareholders, in proportion to the numbers of their respective shares; and
- (4) The rights to make requests as provided for in Article 10 hereof.

(Additional purchase of less-than-one-unit shares)

Article 10. In accordance as provided for in the Share Handling Regulations, any shareholder who holds less-than-one-unit shares of the Company shall be entitled to request the Company to sell the number of shares that will, together with the number of his/her less-than-one-unit shares, constitute the number of one unit of shares.

(Share registrar)

Article 11. The Company shall have a share registrar. The share registrar and its business office shall be designated by resolution of the Board of Directors and public notice shall be given thereof. The preparation and keeping of the register of shareholders and the register of stock acquisition rights of the Company and other affairs relating to the register of shareholders and the register of stock acquisition rights shall be delegated to the share registrar and shall not be handled by the Company.

(Share Handling Regulations)

Article 12. The handling relating to the exercise of rights by the shareholders of the Company, its shares and stock acquisition rights and the fees therefor shall be governed by the Share Handling Regulations adopted by the Board of Directors as well as laws, ordinances or these Articles of Incorporation.



(Record date)

Article 13. The Company shall treat the shareholders with voting rights appearing or recorded in the final register of shareholders as of December 31 of each year as shareholders entitled to exercise their rights at the ordinary general meeting of shareholders relating to the relevant financial year.

### **Chapter III. General Meeting of Shareholders**

(Convening of general meetings)

Article 14. The ordinary general meeting of shareholders of the Company shall be convened within three (3) months from January 1 of each year and an extraordinary general meeting of shareholders shall be convened whenever necessary.

(Person to convene general meetings and chairman)

Article 15. Unless otherwise provided for in laws or ordinances, a general meeting of shareholders shall be convened by the Representative Director in accordance with the resolution of the Board of Directors and chairmanship of such general meeting of shareholders shall be assumed by the Representative Director.

If the Company has two (2) or more Representative Directors, such general meeting of shareholders shall be convened and presided over by one of the Representative Directors in the order previously fixed by the Board of Directors.

If the Representative Director or Directors are unable to act, another Director shall act in his place in the order previously fixed by the Board of Directors.

(Disclosure via the Internet of reference documents for the general meeting of shareholders, etc. and deemed provision thereof)

Article 16. By disclosing information relating to all matters that shall be described or stated in any reference document for the general meeting of shareholders, business report, financial statement and consolidated financial statement (including account auditors' report and Corporate Auditors' report relating to such any consolidated financial statement) upon convening a general meeting of shareholders by a method utilizing the Internet in accordance as provided for in the Ordinance of the Ministry of



Justice of Japan, the Company may be deemed to have provided such information to the shareholders.

(Method of adopting resolutions)

Article 17. Unless otherwise provided for in laws, ordinances or these Articles of Incorporation, resolutions of the general meeting of shareholders shall be adopted by a majority of the votes of the shareholders present who are entitled to vote.

2. Resolutions as provided for in Article 309, paragraph 2 of the Corporation Law of Japan shall be adopted at a general meeting of shareholders at which shareholders holding one-third (1/3) or more of voting rights of the shareholders entitled to vote shall be present, by two-thirds (2/3) or more of the voting rights of the shareholders so present.

(Exercise of votes by proxy)

Article 18. Shareholders may exercise their votes by proxy who shall be another shareholder (being one person) of the Company entitled to vote.

2. In the case of the foregoing paragraph, the shareholder or the proxy must submit to the Company a document establishing the power of attorney for each general meeting of shareholders.

(Minutes)

Article 19. Outline proceedings and the resultant actions taken at each general meeting of shareholders and such other matters as provided for in laws or ordinances shall be stated or recorded in minutes.

#### **Chapter IV. Directors and Board of Directors**

(Authorized number and method of election)

Article 20. The Company shall have not more than twelve (12) Directors, all of whom shall be elected by the general meeting of shareholders.

2. Resolutions for the election of Directors shall be adopted at a general meeting of shareholders at which shareholders holding one-third (1/3) or more of voting rights of the shareholders entitled to vote shall be present, by a majority of the voting rights of the shareholders so present.



3. Resolutions for the election of Directors shall not be by cumulative voting.

(Term of office)

Article 21. The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders relating to the last of the financial years to end within a year after their election.

2. The term of office of Directors elected to fill vacancies created by the retirement of Directors before the expiration of their term of office shall be for the unexpired balance of the term of office of the retirees.

3. The term of office of Directors elected as a result of an increase in their number shall be for the unexpired balance of the term of office of the Directors currently in office.

(Convening of meetings of the Board of Directors)

Article 22. The convening of a meeting of the Board of Directors shall be as prescribed by the Board of Directors.

2. Notice for convening a meeting under the foregoing paragraph shall be dispatched to each Director and each Corporate Auditor at least three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened in the case of urgent necessity.

(Powers of the Board of Directors)

Article 23. In addition to the matters provided for in laws, ordinances or these Articles of Incorporation, the Board of Directors shall make decisions on important matters relating to the execution of business.

(Resolutions of the Board of Directors)

Article 24. Resolutions of the Board of Directors shall be adopted at its meeting at which a majority of the Directors entitled to participate in the resolutions shall be present, by a majority of the Directors so present.

2. In the event that the requirements of Article 370 of the Corporation Law of Japan are fulfilled, the Company shall deem that a resolution of the Board of Directors has been adopted.



(Representative Directors)

Article 25. The Board of Directors shall, by its resolution, appoint a Representative Director or Directors.

(Remuneration, etc.)

Article 26. Remuneration, bonuses and other proprietary benefits Directors may receive from the Company in consideration of the execution of their duties shall be determined by resolution of the general meeting of shareholders.

(Reduction of liabilities of Directors)

Article 27. The Company may, by resolution of the Board of Directors, exempt any Director (including any former Director) from such liability as provided for in Article 423, paragraph 1 of the Corporation Law of Japan to the extent of such amount as provided for in laws or ordinances, as long as the Director acted in good faith and without gross negligence.

2. The Company may enter into an agreement with any outside Director to the effect that the outside Director shall assume such liability as provided for in Article 423, paragraph 1 of the Corporation Law of Japan to the extent of the aggregate of the amounts as provided for in the items of Article 425, paragraph 1 of the Corporation Law, as long as the outside Director acted in good faith and without gross negligence.

## **Chapter V. Corporate Auditors and Board of Corporate Auditors**

(Authorized number and method of election)

Article 28. The Company shall have not less than three (3) Corporate Auditors, all of whom shall be elected by the general meeting of shareholders.

2. Resolutions for the election of Corporate Auditors shall be adopted at a general meeting of shareholders at which shareholders holding one-third (1/3) or more of voting rights of the shareholders entitled to vote shall be present, by a majority of the voting rights of the shareholders so present.





(Term of office)

Article 29. The term of office of Corporate Auditors shall expire at the close of the ordinary general meeting of shareholders relating to the last of the financial years to end within four (4) years after their election.

2. The term of office of Corporate Auditors elected to fill vacancies created by the retirement of Corporate Auditors before the expiration of their term of office shall be for the unexpired balance of the term of office of the retirees.

(Convening of meetings of the Board of Corporate Auditors)

Article 30. The convening of a meeting of the Board of Corporate Auditors shall be as prescribed by the Board of Corporate Auditors.

2. Notice for convening a meeting under the foregoing paragraph shall be dispatched to each Corporate Auditor at least three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened in the case of urgent necessity.

(Powers of the Board of Corporate Auditors)

Article 31. In addition to the matters provided for in laws, ordinances or these Articles of Incorporation, the Board of Corporate Auditors shall make decisions on important matters relating to the execution of duties of Corporate Auditors so long as the exercise of powers by Corporate Auditors are not diluted.

(Resolutions of the Board of Corporate Auditors)

Article 32. Unless otherwise provided for in laws or ordinances, resolutions of the Board of Corporate Auditors shall be adopted by a majority of the Corporate Auditors.

(Full-time Corporate Auditors and Standing Corporate Auditors)

Article 33. The Board of Corporate Auditors shall, by its resolution, appoint a Corporate Auditor or Auditors to serve on a full-time basis. The Board of Corporate Auditors may, by its resolution, appoint a Standing Corporate Auditor or Auditors.



(Remuneration, etc.)

Article 34. Remuneration and other proprietary benefits Corporate Auditors may receive from the Company in consideration of the execution of their duties shall be determined by resolution of the general meeting of shareholders.

(Reduction of liabilities of Corporate Auditors)

Article 35. The Company may, by resolution of the Board of Directors, exempt any Corporate Auditor (including any former Corporate Auditor) from such liability as provided for in Article 423, paragraph 1 of the Corporation Law of Japan to the extent of such amount as provided for in laws or ordinances, as long as the Corporate Auditor acted in good faith and without gross negligence.

2. The Company may enter into an agreement with any outside Corporate Auditor to the effect that the outside Corporate Auditor shall assume such liability as provided for in Article 423, paragraph 1 of the Corporation Law of Japan to the extent of the aggregate of the amounts as provided for in the items of Article 425, paragraph 1 of the Corporation Law, as long as the outside Corporate Auditor acted in good faith and without gross negligence.

## **Chapter VI. Accounts**

(Financial year)

Article 36. The financial year of the Company shall be annual, commencing on January 1 of each year and ending on December 31 of the same year.

(Record date for distribution of retained earnings)

Article 37. The Company shall pay year-end dividends to the shareholders appearing or recorded in the final register of shareholders as of December 31 of each year.

2. By resolution of the Board of Directors, the Company may pay interim dividends to the shareholders appearing or recorded in the final register of shareholders as of June 30 of each year.



(Period of limitations on dividends)

Article 38. In the event that dividends are paid in cash, if any dividend remains unreceived upon the expiration of three (3) full years from the day on which such any dividend became due and payable, the Company shall be relieved of the obligation to pay such any dividend.

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