



(English Translation of the Japanese News Release)

May 7, 2010

Dear Sirs,

Name of the Company: Shiseido Company, Limited
Name of the Representative: Shinzo Maeda
President & CEO
(Representative Director)
(Code No. 4911; The First Section of the Tokyo Stock Exchange)
Further inquiries: Yukihiro Saito
General Manager of Investor
Relations Department
(Tel: 03 - 3572 -5111)

Shiseido to Acquire 100% of its Subsidiary

Shiseido Co., Ltd.(hereinafter "Shiseido") announced that it has entered into a letter of intent with Dah Chong Hong Limited (headquarters: Hong Kong ; hereinafter "DCH"), a wholly owned company of Dah Chong Hong Holdings Limited (headquarters: Hong Kong), on May 6, 2010, pursuant to which Shiseido will acquire all shares of Shiseido Dah Chong Hong Cosmetics Limited (headquarters: Hong Kong ; hereinafter "SDC") from DCH (SDC is the joint company launched by DCH and Shiseido, and is Shiseido's consolidated subsidiary).

1. Purpose of the Acquisition

In order to become a "Global Player Representing Asia with its origins in Japan", Shiseido has focused its management strategy around enhancing its growth potentials in markets around the world. Under our Three-Year Plan implemented in fiscal 2008 in which Shiseido aims to improve the quality of our activities across the board, Shiseido has been working on a structural reform.

Although currently Shiseido has 50.0% shares of SDC and provides SHISEIDO brand and non-SHISEIDO brands cosmetics in Hong Kong, Macau and mainland China (Guangdong Province) through SDC, Shiseido has decided to make SDC its wholly owned subsidiary in order to achieve further enhancement of business in China. As a means of more proactively responding to significant growth of the cosmetics market and greater demand in line with China's rapid economic development in recent years, Shiseido will undertake measures to further enhance customer satisfaction and expand sales.

2. Overview of SDC prior to acquisition

(1) Corporate name: Shiseido Dah Chong Hong Cosmetics Limited
(2) Location: 20 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong
(3) Name and title of representative: Ms. Esther Kwong, Director & General Manager

- (4) Business description: Import/export and sales of cosmetics in Hong Kong, Macau and mainland China (Guangdong Province)
- (5) Paid-in Capital: 123 million HK\$ (approximately 1,476 million yen)
- (6) Date of incorporation: July 1998
- (7) Number of Shares Outstanding: 123 million shares
- (8) Major Shareholders and Owner ship:
- | | |
|---------------------------|-----------------------------|
| Shiseido Company, limited | 50.0% (61.5 million shares) |
| Dah Chong Hong Limited | 50.0% (61.5 million shares) |
- (9) Relationship with Shiseido:
- Capital relationship: Shiseido has 50.0% of shares of SDC.
- Personal relationship: 1 employee of Shiseido being seconded to SDC as a director.
- Transactional relationship: SDC purchases SHISEIDO brand and non-SHISEIDO brands cosmetics from Shiseido and distributes them in Hong Kong, Macau and mainland China (Guangdong Province).
- (10) Fiscal Year End: End of December
- (11) Number of Employees: 1,200 (as of December 31, 2009)
- (12) Net Assets: 352,754 thousand HK\$ (as of December 31, 2009)
- (13) Total Assets: 618,411 thousand HK\$ (as of December 31, 2009)

3. Overview of Current Shareholder (DCH)

- (1) Corporate name: Dah Chong Hong Limited
- (2) Location: 20 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong.
- (3) Business description: Investment holding, import, retail and export of foodstuffs, electrical appliances and other products
- (4) Paid-in Capital: 50 million HK\$ (approximately 600 million yen)
- (5) Major Shareholders and Owner ship
- | | |
|---------------------------------|-------------------------|
| Dah Chong Hong Holdings Limited | 100.00% (50,000 shares) |
|---------------------------------|-------------------------|
- (6) Relationship with Shiseido:
Shiseido and DCH do not have any capital, personal or transactional relationships that are required to be disclosed

4. Number of Shares and cost for Acquisition

- (1) Number of Shares held by Shiseido prior to acquisition: 61.5 million shares
(Ownership percentage: 50.0%)
- (2) Number of Shares to be acquired by Shiseido: 61.5 million shares
(Acquisition cost: 500 million HK\$)
(Approximately 6 billion yen)
- (3) Number of Shares held by Shiseido after acquisition: 123 million shares
(Ownership percentage: 100.0%)

5. Schedule

May 6, 2010	Letter of Intent
June 30, 2010	Sale and Purchase Agreement (Scheduled)

6. Prospects for the Future

Because the percentage of net sales of SDC was a little less than 2% of our consolidated net sales for the fiscal year ended March 31, 2010, the effect of this acquisition on our consolidated earnings for the fiscal year ending March 31, 2011 is expected to be minor.

We expect this acquisition will contribute to the future expansion of our businesses in the Asian market.

(End of News Release)