



(Translation)

June 8, 2012

Dear Sirs and Madams,

Name of the Company: Shiseido Company, Limited  
Name of the Representative: Hisayuki Suekawa  
President & CEO  
(Representative Director)

(Code No. 4911; The First Section of the Tokyo Stock Exchange)

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**Shiseido Announces Plan to Strengthen its U.S. Corporate,  
Manufacturing and Distribution Operations  
Diverse Family of Innovative Brands to Benefit from Shared Services Platform  
and Improved Efficiencies**

**TOKYO – June 8, 2012** – Shiseido Company, Limited, (Tokyo Stock Exchange, Code: 4911) (“the Company”), a premier global cosmetics company, today announced three key changes to its organizational structure in the U.S. designed to strengthen corporate support for its diverse family of innovative brands and provide an improved platform to accelerate their growth both in the U.S. and globally.

Specifically, the Company announced that it will align the U.S. finance, legal and human resources functions of its premier consumer brands, including Bare Escentuals, Beauté Prestige International USA, NARS, and Shiseido, into a unified, shared services platform. The Company also announced the consolidation of U.S. distribution operations for most of its brands at its distribution center in Columbus, Ohio, which will become the Shiseido Americas Distribution Center. Finally, the Company announced plans to formally merge its U.S. manufacturing business, Shiseido America Inc. (“SAI”), into its Americas umbrella organization, Shiseido Americas Corporation (“SAC”).

“Together these changes create a seamless, world class corporate, manufacturing and distribution platform in the U.S. that will benefit all of our brands in the region,” said Carsten Fischer, Representative Director and Chief Operating Officer Global Business of Shiseido Company Ltd. and Chairman and CEO Shiseido Americas Corporation.

Commenting specifically on the alignment of back office and administrative functions, which is effective immediately, Mr. Fischer continued, “We are committed to preserving each brand’s unique character and individual spirit, and we expect this shared services platform will better position each of the brands for future growth by providing world class support in the U.S. By combining the back office strengths of our

various brands, each can become a stronger player in the U.S. as well as globally, and the Company can more efficiently and effectively serve its valued partners and customers.”

The Company has also begun the process of streamlining its U.S. distribution operations and expects to complete the facility consolidation by the end of the third quarter of 2013. The Columbus center will expand its operations to handle shipment of products to the Americas and globally for multiple brands. A smaller distribution center to be established at the Company’s existing manufacturing facility in East Windsor, New Jersey, will handle export of U.S.-manufactured Shiseido brand products to Europe and Asia.

Bare Escentuals’ large distribution center in Columbus, Ohio, has supported BE’s rapid and significant growth from a distribution perspective. Bare Escentuals grew rapidly by deploying a multi-channel model that combined direct marketing such as television shopping with an emphasis on QVC and infomercial, and retail sales at wholesale partners such as Sephora and Ulta, and company-owned boutiques. This ideal location in Columbus in the Midwest provides good access to the U.S. mainland and Canada. To this end, Shiseido will pursue efforts to increase efficiency by sharing BE’s accumulated know-how and experience in handling distribution, thereby realizing distribution synergies and strengthening its distribution foundation in the United States, which is a major market.

“The formal merger of SAC and SAI, which are already fairly integrated from an operational standpoint, will further streamline our organizational structure,” said Mr. Fischer, commenting on the subsidiary merger the Company intends to effectuate as of January 1, 2014. “We believe the merger, coupled with the other changes announced today, will promote efficiency, enable more flexible allocation of management resources and result in meaningful synergies that will benefit all of our stakeholders.”

In connection with these organizational changes, the Company made several personnel announcements:

- Pankaj Gupta, who has been serving as Executive Vice President, Finance & Operations and Chief Financial Officer for Shiseido Americas Corporation since September of last year, will now also serve as Regional Chief Financial Officer.
- Deanna Chechile, General Counsel for Bare Escentuals, will now also serve as Regional Head of Legal.
- Ginger DeLeo, has joined the Company as Regional Head of Human Resources.

“Pankaj has been an essential member of the Shiseido Americas Corporation team for the past nine years and is well-qualified to lead our regional financial operations as the organization proceeds with the integration of our U.S. business operations,” said Fischer. “Likewise, Deanna, who has played an integral role as general counsel for Bare Escentuals since 2007, has the right experience and leadership skills to head our regional legal organization. We are also pleased to welcome Ginger to the Company and know her career accomplishments over the past two decades position her well to head our regional human resources organization.”

#### Shiseido Overseas Business Serving as a Momentum for Growth

Shiseido is currently promoting its Three-Year Plan (April 2011 - March 2014) based on the theme of “getting into a growth trajectory” with the aim of becoming a “global player representing Asia with its origins in Japan.” Shiseido overseas cosmetics sales currently encompass 89 countries and regions (including Japan) throughout the world. At the same time, overseas business has achieved growth at a level

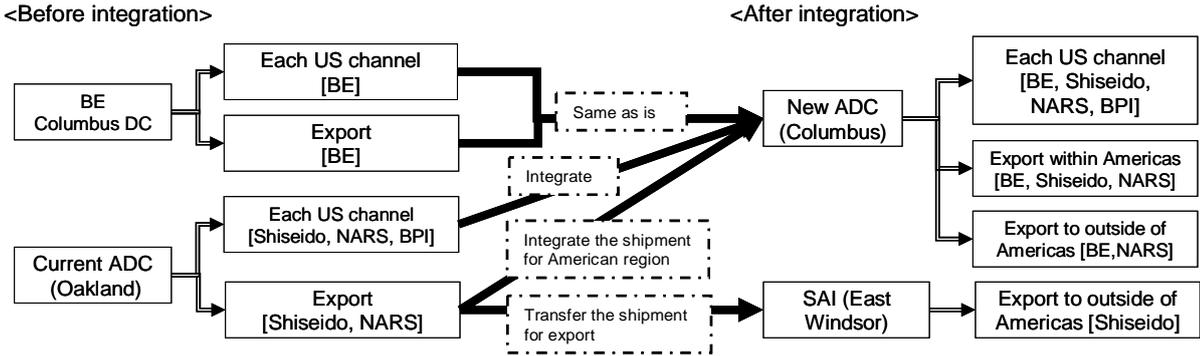
in which the overseas business accounted for 44.3% of Shiseido Group consolidated net sales in fiscal 2011. In fiscal 2012, Shiseido will continue its efforts to enhance its presence in the prestige cosmetics market centering on the European market; strengthen and support its family of brands in the U.S. market; ensure sustainable growth in Asian markets, including China; and expand points of contact with customers in the masstige market in Asia.

The effect of the organizational structure changes on our consolidated earnings for the fiscal year ending March 31, 2013 is expected to be minor. We expect the increase of business efficiency by these changes will contribute to the future expansion of our businesses in the Americas.

-End of News Release

**Reference**

[Distribution before and after integration]



[Overview of Distribution Centers Targeted for Integration]

(As of April.30.2012)

<u>SAC America Distribution Center (Oakland)</u>	<u>BE Columbus Distribution Center (Columbus)</u>
*Location: 178 Bauer Drive, Oakland, New Jersey 07436	*Location: 5271 Centerpoint Parkway, Groveport, Ohio 43125
*Establishment: Starting in 1988 as “Shiseido International Corporation (SIC)”. Changing the company name to “Shiseido Americas Corporation(SAC)”	*Establishment: 2007
*Product items handled and business operations: Distribution of Shiseido, Cle De Peau Beaute, Nars, and Beaute Prestige International products within and outside United States	*Products items handled and business operations: Distribution of Bare Escentuals products within and outside United States
*Volume handled: 12 million cases per year	*Volume handled: 50 million cases per year
*Site area: 460,000 square feet	*Site area: 505,000 square feet
*Number of employees: 135	*Number of employees: 320

## [Companies Information]

(As of April.30.2012)

Company name	Shiseido Americas Corporation [SAC]	Shiseido America Incorporated [Shiseido America, Inc./SAI]
Scope of business	Holding company for Americas region, sales of cosmetics and other products	Manufacture of cosmetics and other products
Establishment	Shiseido International Corporation started Aug 1988. The company name changed to the current name, Shiseido Americas Corporation July 2008.	Jan.1990
Location of headquarters [Place of incorporation]	Delaware, U.S.A.	New York, U.S.A.
Representative	Carsten Fischer	Carsten Fischer
Capital	US\$403.07 million	US\$28 million
Fiscal term	December 31	December 31
Shareholder composition	100% equity stake held by Shiseido Company, Limited	100% equity stake held by SAC

## [Overview of SAI Manufacturing Operations (Factory)]

(As of April.30.2012)

<p>Name: East Windsor Factory, Shiseido America Incorporated [Shiseido America, Inc.]</p> <p>Location: 366 Princeton-Highstown Road, East Windsor, New Jersey 08520, U.S.A.</p> <p>Factory Manager: Ed Houlihan</p> <p>Establishment: 1998</p> <p>Production items: Global brand <i>SHISEIDO</i> skincare products within and outside Americas region</p> <p>Production capacity: 26 million pcs per year</p> <p>Site area: 3,850,000 square feet</p> <p>Number of employees: 292</p>
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