

(Translation)

December 27, 2006

Notice of Dissolution of Subsidiary

Notice is hereby given that Shiseido Company, Limited (the "Company"), at the meeting of its Board of Directors held today, determined to dissolve its subsidiary, Shiseido Investment Co., Ltd., and the funds managed by the subsidiary, as described below:

1. Reason for the dissolution:

In September 2000, with the aim of acquiring capital gains and supporting venture enterprises, the Company incorporated a venture capital subsidiary, Shiseido Investment Co., Ltd., which has managed three funds since October 2000.

The subsidiary has since made investments in approximately a hundred companies and attained certain level of results. Also, the environment surrounding venture has improved. Hence, the Company has judged that it has achieved its original targets and determined to dissolve the subsidiary and the funds it has managed.

2. Outlines of the subsidiary and the funds:

(1) Shiseido Investment Co., Ltd.

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| 1) Corporate name: | Shiseido Investment Co., Ltd. |
| 2) Location: | 5-5, Ginza 7-chome, Chuo-ku, Tokyo |
| 3) Representative: | Kimimotsu Miyao |
| 4) Business: | Investment and management of the assets of investment partnerships |
| 5) Incorporation: | September 1, 2000 |
| 6) Capital: | ¥10,000,000 |
| 7) Shareholding ratio: | Shiseido Company, Limited 90% |
| | NIF SMBC Ventures Co., Ltd. 10% |

(2) Shiseido Investment Fund

- 1) Name: Shiseido Investment Fund Investment Partnership
- 2) Location: 5-5, Ginza 7-chome, Chuo-ku, Tokyo
- 3) Managing partner: Shiseido Investment Co., Ltd.
- 4) Business: Investment in private companies, etc.
- 5) Establishment: October 10, 2000
- 6) Capital: ¥1,500,000,000
- 7) Equity position: Shiseido Company, Limited 99.95% (1,999 units)
Shiseido Investment Co., Ltd. 0.05% (1 unit)

(3) Shiseido Beauty Fund

- 1) Name: Shiseido Beauty Fund Investment Partnership
- 2) Location: 5-5, Ginza 7-chome, Chuo-ku, Tokyo
- 3) Managing partner: Shiseido Investment Co., Ltd.
- 4) Business: Investment in private companies, etc.
- 5) Establishment: October 10, 2000
- 6) Capital: ¥1,000,000,000
- 7) Equity position: Shiseido Company, Limited 99.9% (999 units)
Shiseido Investment Co., Ltd. 0.1% (1 unit)

(4) Cosmetics Voluntary Chain Store Fund

- 1) Name: The Cosmetics Voluntary Chain Store Fund
Investment Partnership
- 2) Location: 5-5, Ginza 7-chome, Chuo-ku, Tokyo
- 3) Managing partner: Shiseido Investment Co., Ltd.
- 4) Business: Investment in private companies, etc.
- 5) Establishment: March 13, 2003
- 6) Capital: ¥110,000,000
- 7) Equity position: Shiseido Company, Limited 99.8% (499 units)
Shiseido Investment Co., Ltd. 0.2% (1 unit)

3. Schedule of the dissolution:

(1) Shiseido Investment Co., Ltd.

March 31, 2007: Dissolution upon resolution at an extraordinary general meeting of shareholders

In or about June 2007: Liquidation expected to be completed

(2) Funds

February 28, 2007: Refund to the equity participants

4. Future outlook:

The said dissolution will have no significant impact on the Company's (consolidated/non-consolidated) operating results for the fiscal year ending March 31, 2007.

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