

Shiseido Co., Ltd. to Make Administrative Changes and Transfer Personnel

Effective April 1, 2007, Shiseido Co., Ltd. will implement certain administrative changes and transfer designated personnel as follows.

Effective April 1, 2007, Shiseido Co., Ltd. Will:

1. Implement Administrative Changes

1.1 Restructuring of Head Office Staff Department

The following restructuring will be implemented for the purposes of strengthening cooperation and raising efficiency within staff operations.

- 1) All of the functions of the Legal Department will be transferred to the General Affairs Department and renamed as the Legal Group, General Affairs Department for the purpose of greater alignment of risk control and legal functions for the entire Group. As a result, the Legal Department will be eliminated.
- 2) All of the functions of the current Executive Department will be transferred to the General Affairs Department and renamed the Executive Group, General Affairs Department for the purpose of integrating all companywide corporate communications functions. As a result, the Executive Department will be eliminated.
- 3) All of the functions of the current Investor Relations Department will be transferred to the Financial Department and renamed the Investor Relations Group, Financial Department for the purpose of greater alignment of capital policymaking and disclosure of financial information. Consequently, the Investor Relations Department will be eliminated.

1.2 Restructuring of Research, Production and Technical Department

The Technical & Production Planning Department will be established to achieve stronger collaboration of research and development, production and technical departments within the Group and promote R&D, the devising of production strategic planning and radical innovation in production development.

1.3 Restructuring of International Business Division

The Europe Department and Asia Pacific Department will be integrated to form the Global Sales Department for the purposes of strengthening sales support and management functions in relevant countries, restructuring of business in distributor markets and realizing greater inroads into emerging markets.

1.4 Restructuring of Professional Business Operations Division

The following restructuring will be implemented for the purposes of augmenting the growth potential of the Professional Business Operations Division and strengthening cooperation within the business division.

- 1) The Esthetic Business Administration Department will be established for the purpose of augmenting the aesthetic business in prospective growth markets.

- 2) Excluding functions delegated to the above Esthetic Business Administration Department, the business strategic planning and promotion functions of the Professional Business Planning Department and the management and promotion functions for domestic and overseas products business and services business within the Professional Business Administration Department will be reorganized and integrated to form the Professional Business Planning Department. As a result, the Professional Business Administration Department will be eliminated.

1.5 Restructuring of Domestic Cosmetics Business

The following restructuring will be implemented for the purposes of greater alignment of various training functions and sales and store activity planning functions within the Domestic Cosmetics Business, as well as to shore up policies pertaining to structured retailers.

- 1) Functions related to Beauty Consultant (BC) activities, which is one of the functions conducted by the Retail Promotion Planning Group, Cosmetics Business Planning Department will be integrated with the BC training functions of the Training Department to form the Beauty Consulting

Administration Group, Cosmetics Business Planning Department for the purposes of augmenting BC activities and improving quality toward making our customers beautiful. In addition, the operational training functions of the Training Department will be transferred to the Sales Strategy Group, Cosmetics Business Planning Department, while its customer training functions will be transferred to the Sales Department, Specialty Stores. Consequently, the Training Department will be eliminated.

2) All of the functions of the Sales Department, Wholesalers will be transferred to the Sales Department, Structured Retail Stores to form the Wholesalers Sales Group, Sales Department, Structured Retail Stores for the purpose of further strengthening response toward structured retailers by pursuing greater alignment of wholesale and structured distribution functions. As a result, the Sales Department, Wholesalers will be eliminated.