

June 30, 2008

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)
Inquiries shall be directed Yukihiro Saito
to: Head of Investor Relations,
Financial Department
(Tel: 03 - 3572 - 5111)

Announcement Regarding Structural Consolidation of U.S. Subsidiaries

Shiseido Co., Ltd. (the “Company”) hereby announces that its Board of Directors has resolved to consolidate three U.S. based subsidiaries, Shiseido Cosmetics (America) Ltd., Nars Cosmetics, Inc. and ZIC Corporation, into Shiseido International Corporation, a U.S. based subsidiary, and change the name to be Shiseido Americas Corporation (SAC). as noted below.

1. Reason of Consolidation

- (1) As of July 1, 2008, the Shiseido Co., Ltd. will consolidate the business operations and assets of Shiseido Cosmetics (America) Ltd., Nars Cosmetics, Inc. and ZIC Corporation, into Shiseido International Corporation and the name of the company will be changed to SAC. Shiseido Americas Corporation will shift each company’s function to the newly created divisions of the existing businesses using DBA (doing business as) names for Shiseido Cosmetics America, Nars Cosmetics and JV Fragrance and Skincare (ZIC Corporation manufactures and markets the John Varvatos Fragrance brand). Those Companies back office functions will be consolidated. However each Division will be individually operated by the existing CEOs. In line with the integration, the three subsidiaries (Shiseido Cosmetics (America) Ltd., Nars Cosmetics, Inc. and ZIC Corporation) will be dissolved.
- (2) This consolidation will be implemented as part of a strategy to increase the competitive strengths of the Shiseido Group and build a solid presence in the United States, the world’s largest cosmetics market. Consolidation will enable expeditious, strategic investment beyond individual subsidiary frameworks along with promoting management efficiency through the integration of business infrastructures. The Shiseido Group will further support the business operations currently underway in the United States and push forward in realizing continuous sales expansion and the improvement of profitability.

2. Overview of subsidiary into which business operations and assets will be consolidated

Shiseido International Corporation (will be Shiseido Americas Corporation)

- 1) Location: 178 Bauer Drive, Oakland, NJ 07436-3105, USA
- 2) Representative: Shuichi Tanaka / Chairman & CEO of Shiseido International Corporation
(will be Chairman & CEO of SAC)
- 3) Main business: U.S. holding company, financial affairs, consolidation
and back office operations
- 4) Established: August 11, 1988
- 5) Capital: US\$403,070 thousand
- 6) Shareholding ratio: Shiseido Co., Ltd. – 100%

3. Overview of subsidiaries to be dissolved

(1) Shiseido Cosmetics (America) Ltd. (will be Shiseido Cosmetics America of SAC)

- 1) Location: 15th Floor, 900 Third Avenue, New York, NY 10022-4795, USA
- 2) Representative: Heidi Manheimer/CEO of Shiseido Cosmetics America Ltd. (will be CEO of
Shiseido Cosmetics America)
- 3) Main business: Sales of cosmetic products
- 4) Established: August 26, 1965
- 5) Capital: US\$15,300 thousand
- 6) Shareholding ratio: Shiseido International Corporation – 100%

(2) Nars Cosmetics, Inc. (will be Nars Coemstics of SAC)

- 1) Location: 17th Floor, 900 Third Avenue, New York, NY 10022-4795, USA
- 2) Representative: Louis Desazars / President & CEO of Nars Cosmetics, Inc. (will be CEO of
Nars Cosmetics)
- 3) Main business: Manufacture, sales and export of cosmetic products
- 4) Date of acquisition: May 17, 2000
- 5) Capital: US\$60,000 thousand
- 6) Shareholding ratio: Shiseido International Corporation – 100%

(3) ZIC Corporation (will be JV Fragrance and Skincare of SAC)

- 1) Location: 9th Floor, 900 Third Avenue, New York, NY 10022-4795, USA
- 2) Representative: Shuichi Tanaka / Chairman & CEO of ZIC Corporation (will be CEO of JV
Fragrance and Skincare)
- 3) Main business: Manufacture, sales and export of fragrance products
- 4) Date of acquisition: May 1, 2000
- 5) Capital: US\$7,100 thousand
- 6) Shareholding ratio: Shiseido International Corporation – 100%

4. Time schedule for dissolution

July 2008	ZIC Corporation to be dissolved
January 2009	Nars Cosmetics, Inc. to be dissolved
Approx. period from January to June 2009	Shiseido Cosmetics America Ltd. to be dissolved (as soon as arrangements for liquidation are completed)

5. Future outlook

The impact of the aforementioned dissolution on Shiseido's business results in the year ending March 2009 is minimal.