

October 22, 2008

Notice of Revision of Financial Forecasts for First Half Year Ended September 30, 2008

Shiseido Company, Limited

Listing: Tokyo Stock Exchange, First Section (Code Number: 4911)
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In light of its recent financial results, Shiseido Company, Limited (the “Company”) has revised its financial forecasts for the first half year of the fiscal year ending March 2009 (April 1, 2008 to March 31, 2009). Those estimates were announced on July 31, 2008, when the Company released its results for the first quarter. The revised estimates are shown below.

1. Revised Consolidated Financial Forecasts for the First Half Year (April 1–September 30, 2008)

| | (¥ millions) | | | |
|--|--------------|------------------|-----------------|------------|
| | Net Sales | Operating Income | Ordinary Income | Net Income |
| Previous Forecast (A) | 360,000 | 28,000 | 30,000 | 16,000 |
| Revised Forecast (B) | 360,000 | 33,500 | 36,000 | 20,000 |
| Difference (B–A) | — | 5,500 | 6,000 | 4,000 |
| Percentage Change (%) | — | 19.6 | 20.0 | 25.0 |
| Previous Corresponding Result (First half year ended Sept. 2007) | 362,870 | 32,068 | 33,230 | 12,939 |

2. Reasons for the Revision

With respect to its consolidated results for the first half year of the current fiscal year, the Company posted net sales generally on a par with its previous forecast, but expects operating income, ordinary income, and net income to exceed its forecasts. Reasons for the revision include a lower-than-expected cost of sales ratio and the shift of part of selling, general and administrative (SG&A) expenses to the third quarter and beyond.

3. Full-Year Forecasts

In the second half of the fiscal year ending March 2009, the Company expects business conditions to become more difficult, both in Japan and overseas, with no signs of reversal in the global economic slowdown and weakening personal consumption. Given such circumstances, we will step up efforts such as nurturing our relationship-building brands/lines (counseling-based brands/lines through which we deepen relationships with customers) in the second half. Such efforts will entail shifting some SG&A expenses, initially earmarked for the first half, to the second half of the year. The Company does not plan to make major revisions to its full-year forecasts. However, after reviewing its forecasts in light of current market conditions, it will make an announcement on October 30, when it releases its performance results for the first half year.

Note: The above forecasts are based on information currently available. Due to various factors, actual results may differ from such forecasts.