

**Shiseido Established Shiseido Asia Pacific in Singapore
– Introduction of Six Regional Headquarters to Accelerate Transformation
into a Global Marketing Company –**

Shiseido established Shiseido Asia Pacific Pte. Ltd. (“SAPAC”) in June 2015 in Singapore to enhance marketing in the Asia Pacific region. It will serve as the core organization for the regional headquarters. SAPAC and other subsidiaries in the Asia Pacific region will largely assume the responsibility for regional management and brand marketing currently held by the head office in Japan, which will accelerate decisions and reforms. As a result, Shiseido will more quickly cultivate brands that Asian customers love and grow its business in Asia Pacific faster than the market.

The establishment of SAPAC completes the management framework of the six regions of Japan, China, Asia Pacific, Americas, EMEA (Europe, the Middle East and Africa) and Travel Retail. As a result, we will accelerate preparations for the full-scale operation of regional headquarters in 2016.



Background for the Establishment of SAPAC

The Shiseido Group views Asia Pacific as one of the markets with the greatest growth potential. However, enhancing marketing capabilities has become a key issue over the past few years as competing brands have increased investment. Singapore is advantageously located to serve a central role in the Asian economy, and offers a favorable business environment. Locating regional headquarters closer to markets enables faster decisions and execution. In this environment, Shiseido Asia Pacific will obtain deeper Asian consumer insights and localize marketing.

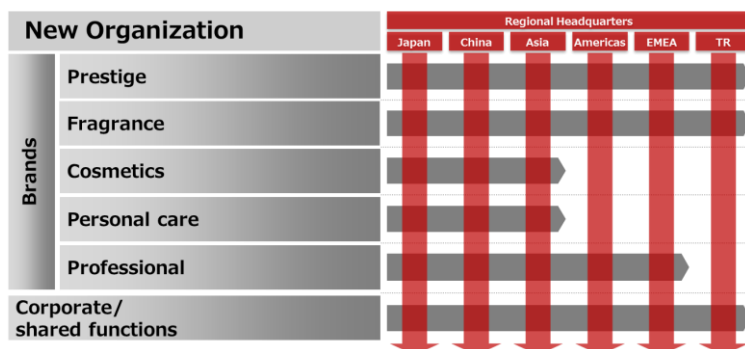
Shift to a Matrix Organization to Become a Global Marketing Company

Under medium-to-long-term strategy “VISION 2020,” we will restructure our business foundation during the

three years through 2017. We will strengthen marketing and innovation to nurture strong brands while cultivating the organization and people to support them.

Embracing a “Think Global, Act Local” mindset, in 2015 we have begun the transition to a matrix organization (Figure) with brand and region vectors. The establishment of SAPAC, the planned establishment of Shiseido Japan on October 1, 2015, the appointment of leaders for each of the regional headquarters and other measures will steadily put this matrix organization in place for implementation from 2016.

Reference: Matrix Organization with Brand and Region Vectors



An optimum matrix organization of five brand businesses categorized according to consumer purchasing style – Prestige, Cosmetics, Personal Care, Professional and Fragrances – and the six regions of Japan, China, Asia Pacific, Americas, EMEA (Europe, the Middle East and Africa) and Travel Retail.

Overview of SAPAC

(1) Name	Shiseido Asia Pacific Pte. Ltd.	
(2) Location	Singapore	
(3) Representative	Jean-Philippe Charrier (Concurrently serves as a Shiseido Company, Limited Corporate Officer)	
(4) Business	Marketing and sales support for cosmetics and professional products in Asia Pacific	
(5) Capital	SGD 625,000	
(6) Date established	June 2, 2015	
(7) Major shareholder and ownership	Shiseido Company, Limited, 100%	
(8) Relationship with listed parent company	Capital	Wholly owned by Shiseido Company, Limited
	Personnel	A Shiseido Company, Limited corporate officer serves as representative

The establishment of SAPAC will not materially affect consolidated results for 2015. However, we believe it will contribute to future Group growth potential and productivity in Asia Pacific.