The figures for these Financial Statements are prepared in accordance with the accounting principles based on Japanese law. Accordingly, they do not necessarily match the figures in the Annual Report issued by the Company, which present the same statements in a form that is more familiar to foreign readers through certain reclassifications or summarization of accounts.

Consolidated Settlement of Accounts for the First 3 Quarters Ended December 31, 2012
[Japanese Standards]

Shiseido Company, Limited

Listings: Tokyo Stock Exchange, First Section (Code Number: 4911)
URL: http://group.shiseido.com/
Representative: Hisayuki Suekawa, President/CEO & Representative Director
Contact: Hirofumi Takakura, Head of Investor Relations Department
Tel. +81-3-3572-5111

Filing of quarterly financial report: February 8, 2013
Start of cash dividend payments: —
Supplementary quarterly materials prepared: Yes (Supplementary information will be uploaded to the corporate website on Thursday, January 31, 2013.)
Quarterly results information meeting held: Yes (for institutional investors, analysts, etc.)

1. Performance for the First 3 Quarters of the Fiscal Year Ending March 31, 2013 (From April 1–December 31, 2012)

* Amounts under one million yen have been rounded down.

(1) Consolidated Operating Results

(Millions of yen; percentage figures denote year-on-year change)

	Net Sales	Operating Income	Ordinary Income	Net Income
First 3 Quarters Ended December 31, 2012	484,788 [–1.2%]	9,151 [–65.8%]	10,090 [–62.6%]	4,561 [–21.0%]
First 3 Quarters Ended December 31, 2011	490,704 [+0.8%]	26,748 [+5.5%]	26,975 [+6.0%]	5,774 [–35.9%]

Note: Comprehensive income
First 3 quarters ended December 31, 2012: ¥6,238 million [—%]
First 3 quarters ended December 31, 2011: ¥–8,400 million [—%]

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
First 3 Quarters Ended December 31, 2012	11.46	11.45
First 3 Quarters Ended December 31, 2011	14.51	14.50

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)
First 3 Quarters Ended December 31, 2012	676,921	290,022	40.7
Fiscal Year Ended March 31, 2012	720,707	303,715	40.3

[Reference] Equity:
First 3 quarters ended December 31, 2012: ¥275,729 million
Fiscal year ended March 31, 2012: ¥290,494 million

2. Cash Dividends

	Cash Dividends per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Year-End	Full Year
Fiscal Year Ended March 31, 2012	—	25.00	—	25.00	50.00
Fiscal Year Ending March 31, 2013	—	25.00	—		
Fiscal Year Ending March 31, 2013 (plan)				25.00	50.00

Note: Revision to dividend forecast during period: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2013 (From April 1, 2012–March 31, 2013)

(Millions of yen, percentage figures denote year-on-year change)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Fiscal Year Ending March 31, 2013	680,000 [-0.3%]	24,500 [–37.4%]	25,500 [–35.3%]	10,500 [–27.7%]	26.38

Note: Revision to consolidated earnings forecast during period: Yes

* Note

(1) Significant changes in subsidiaries during period (changes in specific subsidiaries due to change in scope of consolidation): None

(2) Special accounting treatment adopted: None

(3) Changes in accounting policies; changes in accounting estimates; restatements
1) Changes in accounting policies due to amendment of accounting standards: Yes
2) Other changes in accounting policies: None
3) Changes in accounting estimates: Yes
4) Restatements: None

Note: Subject to Article 10-5 of "Regulations Concerning Terminology, Format, and Preparation Methods for Quarterly Consolidated Financial Statements." For more details, please refer to "2. (3) Changes in Accounting Policies; Changes in Accounting Estimates; Restatements" on page 7.

(4) Shares outstanding (common stock) at term-end

1. Number of shares outstanding (including treasury stock)
   First 3 quarters ended December 31, 2012: 400,000,000
   Fiscal year ended March 31, 2012: 400,000,000
2. Number of treasury shares outstanding
   First 3 quarters ended December 31, 2012:1,989,745
   Fiscal year ended March 31, 2012: 2,002,324
3. Average shares outstanding over period (cumulative; consolidated)
   First 3 quarters ended December 31, 2012: 398,001,610
   First 3 quarters ended December 31, 2011: 397,968,760

Implementation status of quarterly review procedures
At the time of disclosure of this report, review procedures for quarterly financial statements pursuant to the Financial Instruments and Exchange Act had not been completed.

Appropriate use of business forecasts; other special items
In this document, statements other than historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements. Please refer to "1. (2) Consolidated Forecasts" on page 6 for information on preconditions underlying the above outlook and other related information.

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1. Analysis of Operating Results

(1) Consolidated Performance

In the three-quarter period under review (April 1–December 31, 2012), the outlook for the Japanese economy remained unclear due to worldwide economic slowdown and other factors. This was despite a modest recovery trend on the back of replacement demand following the Great East Japan Earthquake. Personal consumption also remained weak, due largely to deflationary trends and a continuing difficult employment environment. Conditions in the domestic cosmetics market, therefore, were also challenging. Overseas, economic recovery was moderate at best, affected by the debt crisis in Europe and slower growth in China. Recently, there have also been signs of a contraction in purchasing sentiment toward Japanese products in general, making the business environment for the Shiseido Group even more difficult. (For overseas subsidiaries, the "first three quarters" refers to the period from January 1 to September 30, 2012.)

For the three-quarter period, the Shiseido Group posted consolidated net sales of ¥484.8 billion, down 1.2% from the previous corresponding period. The Domestic Cosmetics Business segment reported a 3.2% decline in sales, to ¥252.1 billion. This was mainly because, in the first two quarters, sales fell below the previous corresponding period, when shipments reach a high level in the aftermath of the Great East Japan Earthquake. The Global Business segment recorded a 4.5% year-on-year increase in sales in local-currency terms. Despite solid performances by the global brand ***SHISEIDO*** and the ***NARS*** makeup artist brand, as well as the fragrance business in Europe, sales were affected by weak demand in China, due to restrained purchasing attitudes toward Japanese products. After translation into yen, sales of the Global Business segment edged up 0.8%, to ¥225.6 billion. Sales in the Others segment climbed 9.9%, to ¥7.1 billion, owing mainly to sales growth in the frontier sciences business and higher revenue generated by Shiseido Parlor.

Operating income fell 65.8%, to ¥9.2 billion. This was due mainly to a decline in the marginal gain stemming from lower domestic sales, as well as stepped-up investments in sales counters in Japan and overseas and increased advertising and promotional spending. Ordinary income declined 62.6%, to ¥10.1 billion, and net income was down 21.0%, to ¥4.6 billion.

[Consolidated Performance]

(Sales) (Millions of yen)

	First 3 Quarters Ended December 2012	Share of Total (%)	First 3 Quarters Ended December 2011	Share of Total (%)	Year-on-Year Increase/Decrease		
					Amount	% change	% change in local currency terms
Domestic Cosmetics Business	252,053	52.0%	260,319	53.1%	–8,266	–3.2%	–3.2%
Global Business	225,620	46.5%	223,909	45.6%	+1,710	+0.8%	+4.5%
Others	7,114	1.5%	6,474	1.3%	+640	+9.9%	+9.9%
Sales Total	484,788	100.0%	490,704	100.0%	–5,915	–1.2%	+0.5%
Domestic Sales	272,689	56.2%	280,068	57.1%	–7,378	–2.6%	–2.6%
Overseas Sales	212,098	43.8%	210,635	42.9%	+1,462	+0.7%	+4.7%

(Income)

	First 3 Quarters Ended December 2012	Ratio to Net Sales* (%)	First 3 Quarters Ended December 2011	Ratio to Net Sales* (%)	Year-on-Year Increase/Decrease	
					Amount	% change
Domestic Cosmetics Business	17,497	6.9%	24,444	9.3%	–6,947	–28.4%
Global Business	(9,604)	(4.2%)	1,261	0.6%	–10,866	—
Others	1,388	12.7%	1,030	10.1%	+358	+34.8%
Elimination/Corporate	(128)	—	11	—	–140	—
Operating Income Total	9,151	1.9%	26,748	5.5%	–17,596	–65.8%
Ordinary Income	10,090	2.1%	26,975	5.5%	–16,885	–62.6%
Net Income	4,561	0.9%	5,774	1.2%	–1,213	–21.0%

*Based on sales, including intra-Group sales between reportable segments.

(2) Consolidated Forecasts

In light of its performance in the three-quarter period under review and overseas sales trends in the fourth quarter—as well as its plan to book an extraordinary loss of around ¥6.0 billion in the fourth quarter, including an impairment loss of fixed assets, related to a reorganization of its production and R&D bases (as disclosed in today's news release)—the Company has revised its consolidated forecasts for the fiscal year ending March 31, 2013 (previous forecasts announced on October 31, 2012), as shown in the table below.

For more details of the reorganization of production and R&D bases, please refer to "(5) Major Subsequent Event" on page 11.

Consolidated Forecasts for Fiscal 2012

(April 1, 2012–March 31, 2013) (Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
Previous Forecast (A)	700,000	40,000	40,000	22,000	55.28
Revised Forecast (B)	680,000	24,500	25,500	10,500	26.38
Change (B–A)	–20,000	–15,500	–14,500	–11,500	
Percentage Change (%)	–2.9%	–38.8%	–36.3%	–52.3%	
[Reference] Result in Previous Year Fiscal 2011	682,385	39,135	39,442	14,515	36.47

[Sales Outlook by Reportable Segment]

(Millions of yen)

	Fiscal Year Ending March 31, 2013 (Estimate)	Fiscal Year Ended March 31, 2012	Year-on-Year Increase/Decrease	
			Amount	% Change
Domestic Cosmetics Business	348,000	353,789	–5,789	–1.6%
Global Business	322,500	319,678	+2,822	+0.9%
Others	9,500	8,917	+583	+6.5%
Net Sales	680,000	682,385	+2,385	-0.3%

[Sales Outlook by Region]

(Millions of yen)

	Fiscal Year Ending March 31, 2013 (Estimate)	Fiscal Year Ended March 31, 2012	Year-on-Year Increase/Decrease	
			Amount	% Change
Domestic Sales	376,000	379,963	–3,963	–1.0%
Overseas Sales	304,000	302,422	+1,578	+0.5%
Overseas Sales Ratio	44.7%	44.3%		

We base our predictions on the following exchange rate assumptions: ¥79.8 per U.S. dollar, ¥102.6 per euro, and ¥12.7 per Chinese yuan.

2. Summary (Note) Information

(1) Significant Changes in Subsidiaries

Not applicable.

(2) Special Accounting Treatment Adopted

Not applicable.

(3) Changes in Accounting Policies; Changes in Accounting Estimates; Restatements

(Change in accounting policy for situations when a change in accounting estimate is difficult to distinguish)

Pursuant to an amendment to the Corporation Tax Act, the Company and its consolidated subsidiaries, effective the first quarter of the fiscal year ending March 31, 2013, have changed the depreciation method for property, plant and equipment purchased on/after April 1, 2012. That method now conforms to the amended Act.

The aforementioned change had a minimal effect on operating income, ordinary income, and income before income taxes and minority interests in the three-quarter period under review.

3. Major Items Related to Assumptions for going Concern

Not applicable.

(Reference) [Overseas Sales]

(Millions of yen)

	First 3 Quarters Ended September 2012	Share of Net Sales	First 3 Quarters Ended September 2011	Share of Net Sales	Year-on-Year Increase/Decrease		
					Amount	% change	% change in local currency terms
Americas	67,042	13.8%	66,374	13.5%	+668	+1.0%	+3.5%
Europe	54,699	11.3%	59,165	12.1%	–4,466	–7.5%	+1.9%
Asia/Oceania	90,356	18.7%	85,095	17.3%	+5,260	+6.2%	+7.6%
Overseas Sales	212,098	43.8%	210,635	42.9%	+1,462	+0.7%	+4.7%

4. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 2012	First 3 Quarters Ended December 2012
ASSETS		
Current Assets:		
Cash and Time Deposits	67,121	45,109
Notes and Accounts Receivable	112,874	94,563
Short-Term Investments in Securities	26,716	16,565
Inventories	71,902	86,141
Deferred Tax Assets	19,860	18,846
Other Current Assets	17,689	19,849
Less: Allowance for Doubtful Accounts	(935)	(897)
Total Current Assets	315,229	280,179
Fixed Assets:		
Property, Plant and Equipment:		
Buildings and Structures	158,246	158,973
Less: Accumulated Depreciation	(98,806)	(101,306)
Buildings and Structures (net of depreciation)	59,439	57,666
Machinery, Equipment and Vehicles	81,581	82,850
Less: Accumulated Depreciation	(69,791)	(71,688)
Machinery, Equipment and Vehicles (net of depreciation)	11,789	11,161
Fixtures and Fittings	56,916	59,803
Less: Accumulated Depreciation	(38,045)	(41,416)
Fixtures and Fittings (net of depreciation)	18,871	18,386
Land	33,091	32,974
Lease Assets	8,706	7,714
Less: Accumulated Depreciation	(5,033)	(4,281)
Lease Assets (net)	3,673	3,433
Construction in Progress	2,931	4,992
Total Property, Plant and Equipment	129,796	128,615
Intangible Assets:		
Goodwill	84,539	80,407
Lease Assets	613	596
Trademarks	40,583	40,486
Other Intangible Assets	47,907	44,827
Total Intangible Assets	173,644	166,317
Investments and Other Assets:		
Investments in Securities	27,396	27,349
Prepaid Pension Expenses	20,948	18,108
Long-Term Prepaid Expenses	9,658	9,783
Deferred Tax Assets	18,084	20,416
Other Investments	26,026	26,203
Less: Allowance for Doubtful Accounts	(77)	(52)
Total Investments and Other Assets	102,037	101,809
Total Fixed Assets	405,478	396,742
Total Assets	720,707	676,921

(Millions of yen)

	Fiscal Year Ended March 2012	First 3 Quarters Ended September 2012
LIABILITIES		
Current Liabilities:		
Notes and Accounts Payable	48,305	44,369
Short-Term Debt	1,989	6,730
Current Portion of Long-Term Debt	5,915	31,727
Lease Obligations	1,830	1,730
Other Payables	44,273	31,477
Accrued Income Taxes	8,025	7,394
Reserve for Sales Returns	11,065	8,710
Accrued Bonuses for Employees	15,030	6,412
Accrued Bonuses for Directors	395	276
Provision for Liabilities and Charges	565	508
Deferred Tax Liabilities	20	20
Other Current Liabilities	27,302	26,303
Total Current Liabilities	164,719	165,660
Long-Term Liabilities:		
Bonds	90,000	90,000
Long-Term Debt	82,836	53,043
Lease Obligations	2,581	2,401
Accrued Retirement Benefits	42,089	42,917
Allowance for Losses on Guarantees	350	350
Allowance for Environmental Measures	486	446
Deferred Tax Liabilities	27,622	27,223
Other Long-Term Liabilities	6,306	4,856
Total Long-Term Liabilities	252,273	221,239
Total Liabilities	416,992	386,899
NET ASSETS		
Shareholders' Equity:		
Common Stock	64,506	64,506
Capital Surplus	70,263	70,260
Retained Earnings	225,598	210,327
Less: Treasury Stock, at Cost	(3,778)	(3,754)
Total Shareholders' Equity	356,590	341,341
Valuation and Translation Adjustments:		
Unrealized Gains on Available-for-Sale Securities, Net of Taxes	605	756
Foreign Currency Translation Adjustments	(66,702)	(66,368)
Total Valuation and Translation Adjustments	(66,096)	(65,611)
Stock Acquisition Rights	668	778
Minority Interests in Consolidated Subsidiaries	12,553	13,514
Total Net Assets	303,715	290,022
Total Liabilities and Net Assets	720,707	676,921

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income

Consolidated Quarterly Statements of Income Cumulative for First 3 Quarters

(Millions of yen)

	First 3 Quarters Ended December 2011	First 3 Quarters Ended December 2012
Net Sales	490,704	484,788
Cost of Sales	116,818	116,909
Gross Profit	373,885	367,879
Selling, General and Administrative Expenses	347,137	358,727
Operating Income	26,748	9,151
Other Income		
Interest Income	570	524
Dividend Income	795	623
Equity in Earnings of Affiliates	—	27
Rental Income	676	582
Subsidy Income	497	127
Others	734	1,110
Total Other Income	3,275	2,995
Other Expenses		
Interest Expense	1,394	1,337
Equity in Losses of Affiliates	69	—
Foreign Exchange Loss	795	—
Others	788	720
Total Other Expenses	3,048	2,057
Ordinary Income	26,975	10,090
Extraordinary Income		
Gain on Sales of Property, Plant and Equipment	900	267
Gain on Sales of Investments in Securities	2	19
Total Extraordinary Income	902	286
Extraordinary Losses		
Loss on Disposal of Property, Plant and Equipment	876	518
Loss on Sales of Investments in Securities	258	10
Loss on Revaluation of Investments in Securities	67	19
Total Extraordinary Losses	1,201	549
Income before Income Taxes	26,675	9,827
Income Taxes – Current	7,708	5,998
Income Tax –Deferred	12,004	(1,618)
Total Income Taxes	19,713	4,379
Income before Minority Interests in Earnings of Consolidated Subsidiaries	6,962	5,447
Minority Interests in Net Income of Consolidated Subsidiaries	1,187	886
Net Income	5,774	4,561

Consolidated Statements of Comprehensive Income Cumulative for First 3 Quarters

(Millions of yen)

	First 3 Quarters Ended December 2011	First 3 Quarters Ended December 2012
Income before Minority Interests	6,962	5,447
Other Comprehensive Income		
Valuation Difference on Available-for-Sale Securities	(988)	221
Foreign Currency Translation Adjustments	(14,364)	571
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	(10)	(1)
Total Other Comprehensive Income	(15,362)	791
Comprehensive Income	(8,400)	6,238
(Breakdown)		
Comprehensive Income Attributable to Owners of the Parent	(8,806)	5,045
Comprehensive Income Attributable to Minority Interests	406	1,193

(3) Note on Assumptions for Going Concern

Not applicable

(4) Note in the Event of Major Changes in Shareholders' Equity

Not applicable.

(5) Major Subsequent Event

(Reorganization of Production and R&D Bases)

1. Reasons for Reorganization

In its current three-year plan, Shiseido has endeavored to achieve rapid sales growth and secure profits by making leading investments based on the theme of "Getting into a growth trajectory." However, after the worldwide economic slowdown as a result of the European financial crisis, and the changes in China's business environment, investments are unlikely to produce favorable returns. In view of these circumstances, the Company has changed its policy to create a significantly profitable structure in which it can steadily increase profits by achieving sales growth at the same rate as its market growth. To develop this robust business structure, Shiseido will carry out a business structural reform by overhauling its organization, infrastructure, and operations.

This business structural reform will consist of three programs. The first one is to reorganize production and R&D bases, the second to strengthen management of human resources and personnel costs, and the third one to integrate functions on a global scale. In the plan to reorganize production and R&D bases, it will take steps to reform its global supply chain in an effort to minimize the impact of foreign exchange factors amid its increasing share of overseas sales, which are mainly in Asia, and to reduce cost of goods sold and enhance its value creation.

In the plan to strengthen management of human resources and personnel costs, we will revise our early retirement incentive plan and abolish paid leave prior to voluntary resignation for the preparation for a career change. In the plan to integrate functions on a global scale, we will build on our progress with operational integration in North America by expanding this strategy to other regions.

2. Details of Reorganization

At its meeting held on January 31, 2013, the Board of Directors resolved to shut down the Kamakura factory and the Shiseido Research Center (Kanazawahakkei). Products currently manufactured at the Kamakura factory will be transferred to the Kakegawa, Osaka, and Vietnam factories. Upon the closure of the Shiseido Research Center (Kanazawahakkei), the Company's basic research and product development research functions will be concentrated at the Shiseido Research Center (Shin-Yokohama).

Profiles of each facility and shutdown schedules are outlined below.

Profile of Kamakura Factory

Location	1-2-3 Iwase, Kamakura, Kanagawa Prefecture
Year of Establishment	1959
Factory Manager	Keiichi Nojiri
Main Products	Skin lotions, emulsions, beauty essences, creams and other skincare products, and lipsticks
Production Quantity	Approx. 100 million units a year (of which about 58 million are marketed, while about 42 million are used as samples)
Number of Employees (incl. fixed-term employees)	496 (as of December 31, 2012)
Major Destinations of Production Transfers	Skincare products: Osaka and Vietnam factories Lipsticks: Kakegawa factory

Shutdown Schedule

The Kamakura factory will discontinue production in December 2014, and close down in March 2015.

Profile of Shiseido Research Center (Kanazawahakkei)

Location	2-12-1 Fukuura, Kanazawa-ku, Yokohama, Kanagawa Prefecture
Year of Establishment	1992
Main Research	R&D on pharmaceuticals and functional foods, and basic research in dermatology and other sciences
Number of Employees (incl. fixed-term employees)	83 (as of December 31, 2012)

Shutdown Schedule

The transfer to Shin-Yokohama will begin in May 2013. The center will shut down in September 2013.

3. Financial Impact

As a result of the reorganization of its production and R&D bases, the company expects to post an extraordinary loss of approximately ¥6 billion, which includes an impairment loss of fixed assets, for the fiscal year ending March 31, 2013. However, details are currently under consideration.

The expected impact of business structural reform on consolidated earnings in the subsequent financial year and beyond is still being assessed.