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, 2013
[Japanese Standards]

Shiseido Company, Limited

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

Filing of quarterly financial report: February 12, 2014
Start of cash dividend payments: —
Supplementary quarterly materials prepared: Yes (Supplemental information will be uploaded to the corporate website on Friday, January 31, 2014.)
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, 2014 (From April 1–December 31, 2013)

* 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, 2013	535,398 [+10.4%]	33,344 [+264.3%]	35,386 [+250.7%]	16,748 [+267.2%]
First 3 Quarters Ended December 31, 2012	484,788 [–1.2%]	9,151 [–65.8%]	10,090 [–62.6%]	4,561 [–21.0%]

Note: Comprehensive income
First 3 quarters ended December 31, 2013: ¥56,418 million [+804.3%]
First 3 quarters ended December 31, 2012: ¥6,238 million [—%]

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
First 3 Quarters Ended December 31, 2013	42.06	41.99
First 3 Quarters Ended December 31, 2012	11.46	11.45

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)
First 3 Quarters Ended December 31, 2013	737,996	345,810	44.2
Fiscal Year Ended March 31, 2013	715,593	303,153	40.1

[Reference] Equity:
First 3 quarters ended December 31, 2013: ¥326,130 million
Fiscal year ended March 31, 2013: ¥287,069 million

The Company has applied International Accounting Standard No. 19, "Employee Benefits" (amended June 16, 2011), to certain consolidated subsidiaries. This has resulted in a change in recognition of changes in the Company's net defined benefit liabilities and has been applied retrospectively to the consolidated financial statements for fiscal 2012, ended March 31, 2013. For more details, refer to "(3) Changes in Accounting Policies; Changes in Accounting Estimates; Restatements" under "2. Summary (Note) Information" on page 7 of this document.

2. Cash Dividends

	Cash Dividends per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Year-End	Full Year
Fiscal Year Ended March 31, 2013	—	25.00	—	25.00	50.00
Fiscal Year Ending March 31, 2014	—	10.00	—		
Fiscal Year Ending March 31, 2014 (plan)				10.00	20.00

Note: Revision to dividend forecast during period: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2014 (From April 1, 2013–March 31, 2014)

(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, 2014	750,000[+10.7%]	42,000 [+61.3%]	44,000 [+54.9%]	19,000 [—]	47.69

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: None
4) Restatements: None

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

1. Number of shares outstanding (including treasury stock)
   First 3 quarters ended December 31, 2013: 400,000,000
   Fiscal year ended March 31, 2013: 400,000,000
2. Number of treasury shares outstanding
   First 3 quarters ended December 31, 2013:1,578,371
   Fiscal year ended March 31, 2013: 1,960,234
3. Average shares outstanding over period (cumulative; consolidated)
   First 3 quarters ended December 31, 2013: 398,230,426
   First 3 quarters ended December 31, 2012: 398,001,610

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 and Other Forward-Looking Information" 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 (nine-month period from April 1 to December 31, 2013), the economic sentiment in Japan was characterized by moderate recovery underpinned by government economic measures. The domestic cosmetics market also showed indications of a turnaround. However, there are concerns that consumer sentiment will be dampened by a hike in consumption tax scheduled for April 2014, leaving no room for complacency. Overseas, the Americas and Asia continued posting moderate economic growth, but conditions weakened in Europe. Similarly, cosmetics markets in the Americas and Asia enjoyed sustained growth, while growth in the European market was negative. (For overseas subsidiaries, the "first three quarters" refers to the period from January 1 to September 30, 2013.)

In this environment, the Shiseido Group allocated resources to strong, big, and highly profitable fields under its "distinction and concentration" policy. To this end, we focused on reinforcing our strengths in three areas: Japan, China, and Bare Escentuals, Inc.

As a result, the Group posted consolidated net sales of ¥535.4 billion, up 10.4% from the previous corresponding period. Despite healthy performances by ***MAQuillAGE*** and ***ELIXIR***—which are core lines in the mid-priced range—sales in the Domestic Cosmetics Business segment edged down 0.4%, to ¥251.2 billion. This was due to recovery of inventories aimed at optimizing store-level inventories. The Global Business segment benefited from solid performances by the global brand ***SHISEIDO*** and the makeup artist brand ***NARS,*** as well as an expanding fragrance business in Europe. However, segment sales grew just 0.3% on a local-currency basis. This was due mainly to a year-on-year sales decline in our Chinese business. After translation into yen, however, segment sales jumped 22.7%, to ¥276.8 billion, owing to the yen's depreciating trend. Sales in the Other segment increased 4.4%, to ¥7.4 billion, thanks largely due to a favorable performance by our restaurant business, bolstered by the renewal and reopening of French restaurant L'Osier in October 2013.

Operating income surged 264.3%, to ¥33.3 billion, due partly to a marginal gain stemming from higher net sales, as well as cost reductions centered on cost structural reforms. In Japan, we also reduced personnel expenses, including bonuses and pension costs. Ordinary income jumped 250.7%, to ¥35.4 billion, and net income grew 267.2%, to ¥16.7 billion.

[Consolidated Performance]

(Sales) (Millions of yen)

	First 3 Quarters Ended December 2013	Share of Total (%)	First 3 Quarters Ended December 2012	Share of Total (%)	Year-on-Year Increase/Decrease		
					Amount	% change	% change in local currency terms
Domestic Cosmetics Business	251,157	46.9%	252,053	52.0%	–895	–0.4%	–0.4%
Global Business	276,815	51.7%	225,620	46.5%	+51,195	+22.7%	+0.3%
Others	7,424	1.4%	7,114	1.5%	+309	+4.4%	+4.4%
Sales Total	535,398	100.0%	484,788	100.0%	+50,609	+10.4%	+0.0%
Domestic Sales	271,436	50.7%	272,689	56.2%	–1,253	–0.5%	–0.6%
Overseas Sales	263,962	49.3%	212,098	43.8%	+51,863	+24.5%	+0.8%

(Income)

	First 3 Quarters Ended December 2013	Ratio to Net Sales* (%)	First 3 Quarters Ended December 2012	Ratio to Net Sales* (%)	Year-on-Year Increase/Decrease	
					Amount	% change
Domestic Cosmetics Business	28,098	11.1%	17,497	6.9%	+10,601	+60.6%
Global Business	3,301	1.2%	(9,604)	(4.2%)	+12,906	—
Others	1,604	14.5%	1,388	12.7%	+216	+15.6%
Elimination/Corporate	339	—	(128)	—	+468	—
Operating Income Total	33,344	6.2%	9,151	1.9%	+24,192	+264.3%
Ordinary Income	35,386	6.6%	10,090	2.1%	+25,296	+250.7%
Net Income	16,748	3.1%	4,561	0.9%	+12,186	+267.2%

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

(2) Consolidated Forecasts and Other Forward-Looking Information

In light of its performance in the three-quarter period under review, as well as foreign exchange trends and other factors, the Group has revised its consolidated forecasts for the fiscal year ending March 31, 2014 (previous forecasts announced on October 31, 2013), as shown in the table below.

[Consolidated Forecasts for Fiscal 2013]

(April 1, 2013–March 31, 2014) (Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
Previous Forecast (A)	740,000	40,000	41,000	15,000	37.66
Revised Forecast (B)	750,000	42,000	44,000	19,000	47.69
Change (B–A)	+10,000	+2,000	+3,000	+4,000	
Percentage Change (%)	+1.4%	+5.0%	+7.3%	+26.7%	
[Reference] Result in Previous Year (Fiscal Year Ended March 2013)	677,727	26,045	28,406	(14,685)	–36.90

[Sales Outlook by Reportable Segment]

(Millions of yen)

	Fiscal Year Ending March 31, 2014 (Estimate)	Fiscal Year Ended March 31, 2013	Year-on-Year Increase/Decrease	
			Amount	% Change
Domestic Cosmetics Business	340,000	345,882	–5,882	–1.7%
Global Business	400,000	322,349	+77,650	+24.1%
Others	10,000	9,494	+505	+5.3%
Net Sales	750,000	677,727	+72,272	+10.7%

[Sales Outlook by Region]

(Millions of yen)

	Fiscal Year Ending March 31, 2014 (Estimate)	Fiscal Year Ended March 31, 2013	Year-on-Year Increase/Decrease	
			Amount	% Change
Domestic Sales	367,000	373,252	–6,252	–1.7%
Overseas Sales	383,000	304,475	+78,524	+25.8%
Overseas Sales Ratio	51.1%	44.9%		

We base our predictions on the following exchange rate assumptions: ¥97.7 per U.S. dollar, ¥129.7 per euro, and ¥15.9 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 due to change in accounting standard)

Effective the first quarter of fiscal 2013, the Company has applied International Accounting Standard No. 19, “Employee Benefits” (amended June 16, 2011), to certain consolidated subsidiaries. This has resulted in a change in recognition of changes in the Company’s net defined benefit liabilities. The change in accounting policy has been applied retrospectively and is reflected in the consolidated financial statements for the first three quarters of fiscal 2012 (nine months ended December 31, 2012) and the consolidated financial statements for fiscal 2012 (year ended March 31, 2013).

Compared with figures prior to retrospective application, deferred tax assets and accrued retirement benefits in the previous fiscal year increased by ¥215 million and ¥795 million, respectively, as a result of the change, while retained earnings, adjustment for retirement benefits (cumulative), and minority interests in consolidated subsidiaries declined by ¥42 million, ¥440 million, and ¥96 million, respectively. Because the change had minimal effect on the consolidated statements of income in the first three quarters of fiscal 2012, the change is not reflected in the consolidated quarterly statements of income and the consolidated quarterly statements of comprehensive income for that period. However, the cumulative effect on net assets at the beginning of fiscal 2012 has been reflected, with the result that retained earnings, adjustment for retirement benefits (cumulative), and minority interests in consolidated subsidiaries declined by ¥42 million, ¥7 million, and ¥43 million, respectively.

3. Major Items Related to Going Concern Assumption

Not applicable.

(Reference) [Overseas Sales]

(Millions of yen)

	First 3 Quarters Ended September 2013	Share of Net Sales	First 3 Quarters Ended September 2012	Share of Net Sales	Year-on-Year Increase/Decrease		
					Amount	% change	% change in local currency terms
Americas	82,967	15.5%	67,042	13.8%	+15,924	+23.8%	+1.4%
Europe	69,783	13.0%	54,699	11.3%	+15,084	+27.6%	+2.3%
Asia/Oceania	111,211	20.8%	90,356	18.7%	+20,854	+23.1%	–0.6%
Overseas Sales	263,962	49.3%	212,098	43.8%	+51,863	+24.5%	+0.8%

4. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 2013	First 3 Quarters Ended December 2013
ASSETS		
Current Assets:		
Cash and Time Deposits	59,330	74,439
Notes and Accounts Receivable	118,232	107,734
Short-Term Investments in Securities	31,933	30,808
Inventories	84,552	94,738
Deferred Tax Assets	24,943	22,494
Other Current Assets	14,712	16,918
Less: Allowance for Doubtful Accounts	(1,023)	(1,141)
Total Current Assets	332,681	345,992
Fixed Assets:		
Property, Plant and Equipment:		
Buildings and Structures	158,731	168,994
Less: Accumulated Depreciation	(102,689)	(106,920)
Buildings and Structures (net of depreciation)	56,042	62,073
Machinery, Equipment and Vehicles	84,597	87,514
Less: Accumulated Depreciation	(73,018)	(75,646)
Machinery, Equipment and Vehicles (net of depreciation)	11,579	11,867
Fixtures and Fittings	64,078	70,533
Less: Accumulated Depreciation	(44,130)	(49,875)
Fixtures and Fittings (net of depreciation)	19,948	20,658
Land	31,833	30,901
Lease Assets	7,517	7,428
Less: Accumulated Depreciation	(4,211)	(4,480)
Lease Assets (net of depreciation)	3,306	2,947
Construction in Progress	5,095	2,644
Total Property, Plant and Equipment	127,805	131,093
Intangible Assets:		
Goodwill	57,127	59,961
Lease Assets	534	625
Trademarks	45,246	51,124
Other Intangible Assets	47,784	47,057
Total Intangible Assets	150,692	158,769
Investments and Other Assets:		
Investments in Securities	30,510	28,231
Prepaid Pension Expenses	17,155	15,737
Long-Term Prepaid Expenses	10,087	10,748
Deferred Tax Assets	20,589	21,117
Other Investments	26,121	26,362
Less: Allowance for Doubtful Accounts	(49)	(55)
Total Investments and Other Assets	104,413	102,141
Total Fixed Assets	382,912	392,004
Total Assets	715,593	737,996

(Millions of yen)

	Fiscal Year Ended March 2013	First 3 Quarters Ended December 2013
LIABILITIES		
Current Liabilities:		
Notes and Accounts Payable	43,542	46,024
Short-Term Debt	5,975	9,305
Current Portion of Bonds Payable	—	50,000
Current Portion of Long-Term Debt	31,685	5,905
Lease Obligations	1,733	1,508
Other Payables	39,627	31,768
Accrued Income Taxes	9,113	5,172
Reserve for Sales Returns	10,609	10,591
Accrued Bonuses for Employees	12,493	8,391
Accrued Bonuses for Directors	268	267
Provision for Liabilities and Charges	386	270
Provision for Structural Reforms	361	2,470
Deferred Tax Liabilities	8	17
Other Current Liabilities	31,417	31,901
Total Current Liabilities	187,225	203,595
Long-Term Liabilities:		
Bonds	90,000	40,000
Long-Term Debt	53,028	62,634
Lease Obligations	2,245	2,197
Accrued Retirement Benefits	44,151	44,721
Allowance for Losses on Guarantees	350	350
Allowance for Environmental Measures	445	400
Provision for Structural Reforms	1,396	1,396
Deferred Tax Liabilities	28,931	31,987
Other Long-Term Liabilities	4,665	4,901
Total Long-Term Liabilities	225,214	188,590
Total Liabilities	412,439	392,186
NET ASSETS		
Shareholders' Equity:		
Common Stock	64,506	64,506
Capital Surplus	70,258	70,258
Retained Earnings	191,476	194,110
Less: Treasury Stock, at Cost	(3,697)	(2,977)
Total Shareholders' Equity	322,543	325,898
Valuation and Translation Adjustments:		
Unrealized Gains on Available-for-Sale Securities, Net of Taxes	2,799	4,744
Foreign Currency Translation Adjustments	(37,832)	(4,104)
Adjustment for Retirement Benefits (Cumulative)	(440)	(407)
Total Valuation and Translation Adjustments	(35,474)	232
Stock Acquisition Rights	846	920
Minority Interests in Consolidated Subsidiaries	15,237	18,758
Total Net Assets	303,153	345,810
Total Liabilities and Net Assets	715,593	737,996

(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 2012	First 3 Quarters Ended December 2013
Net Sales	484,788	535,398
Cost of Sales	116,909	131,515
Gross Profit	367,879	403,882
Selling, General and Administrative Expenses	358,727	370,538
Operating Income	9,151	33,344
Other Income		
Interest Income	524	732
Dividend Income	623	614
Equity in Earnings of Affiliates	27	—
Rental Income	582	649
Subsidy Income	127	692
Foreign Exchange Gain	287	935
Others	823	757
Total Other Income	2,995	4,381
Other Expenses		
Interest Expense	1,337	1,322
Equity in Losses of Affiliates	—	8
Others	720	1,008
Total Other Expenses	2,057	2,339
Ordinary Income	10,090	35,386
Extraordinary Income		
Gain on Sales of Property, Plant and Equipment	267	1,842
Gain on Sales of Investments in Securities	19	600
Total Extraordinary Income	286	2,443
Extraordinary Losses		
Impairment Loss	—	927
Structural Reform Expenses	—	*1 5,777
Loss on Disposal of Property, Plant and Equipment	518	680
Loss on Sales of Investments in Securities	10	4
Loss on Revaluation of Investments in Securities	19	11
Total Extraordinary Losses	549	7,400
Income before Income Taxes	9,827	30,429
Income Taxes – Current	5,998	10,098
Income Tax –Deferred	(1,618)	1,615
Total Income Taxes	4,379	11,713
Income before Minority Interests	5,447	18,715
Minority Interests in Earnings of Consolidated Subsidiaries	886	1,967
Net Income	4,561	16,748

Consolidated Statements of Comprehensive Income Cumulative for First 3 Quarters

(Millions of yen)

	First 3 Quarters Ended December 2012	First 3 Quarters Ended December 2013
Income before Minority Interests	5,447	18,715
Other Comprehensive Income		
Valuation Difference on Available-for-Sale Securities	221	2,002
Foreign Currency Translation Adjustment	571	35,614
Adjustment for Retirement Benefits	—	40
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	(1)	45
Total Other Comprehensive Income	791	37,702
Comprehensive Income	6,238	56,418
(Breakdown)		
Comprehensive Income Attributable to Owners of Parent	5,045	52,454
Comprehensive Income Attributable to Minority Interests	1,193	3,964

(3) Notes Concerning Consolidated Quarterly Financial Statements

(Note on Going Concern Assumption)

Not applicable

(Consolidated Quarterly Statements of Income)

*1: "Structural Reform Expenses" refers to expenses related to "optimizing store-level inventories" (building frameworks to prevent accumulation of store-level inventories) and "strengthening human resource and personnel cost management." These are part of one-time expenses pertaining to "structural reforms" (drastic reassessments of organization, infrastructure, and business administration aimed at building a robust business structure).

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

Not applicable