

SHISEIDO Co., Ltd.
FY2013

First Three Quarters Results and Outlook

2014-1-31

In this document, statements other than historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause actual results and achievements to differ from those anticipated in these statements.

Yoshinori Nishimura
 Director, Corporate Officer

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First Three Quarters Results (Ended December 2013)

SHISEIDO

(Billion yen)	Results	YoY % Change	Local Currency	YoY Amount
Net Sales	535.4 [174.9]	+10.4% [+15.7%]	+0.0% [+2.9%]	+50.6 [+23.7]
Domestic	271.4 [89.6]	-0.5% [+4.1%]	-0.6% [+3.9%]	-1.3 [+3.5]
Overseas	264.0 [85.3]	+24.5% [+31.1%]	+0.8% [+1.5%]	+51.9 [+20.2]
Operating Income	33.3	+264.3%	+197.6%	+24.2
Ordinary Income	35.4	+250.7%	—	+25.3
Extraordinary Income/Loss	-5.0	(-0.3)	—	-4.7
Net Income	16.7	+267.2%	—	+12.2

The figure in parentheses [] is the amount in the third quarter (3 months).
 The figure in parentheses () is the amount in the previous fiscal year.

- Overseas Sales Ratio 49.3% (+5.5 pp)
- Operating Margin 6.2% (+4.3 pp)
- Exchange Rate 1 US\$ = ¥96.7 (+22%), 1 Euro = ¥127.4 (+25%),
1 RMB = ¥15.7 (+25%)

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Sales by Reportable Segment

SHISEIDO

(Billion yen)	FY2013 First Three Quarters			FY2013 Third Quarter (3 months)		
		YoY % Change	Local Currency		YoY % Change	Local Currency
Domestic Cosmetics	251.2	-0.4%	-0.4%	82.3	+4.5%	+4.5%
Global Business	276.8	+22.7%	+0.3%	89.9	+28.6%	+0.8%
Others	7.4	+4.4%	+4.4%	2.8	+7.6%	+7.6%
Total	535.4	+10.4%	+0.0%	174.9	+15.7%	+2.9%

* For a year-on-year comparison of the first three quarters only, please refer to the supplemental data on p.17.

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Domestic Cosmetics Sales by Reportable Segment

SHISEIDO

(Billion yen)		FY2013 First Three Quarters			FY2013 Third Quarter (3 months)		
			YoY Amount	YoY % Change		YoY Amount	YoY % Change
	Counseling	132.2	+2.5	+1.9%	47.3	+4.3	+9.9%
	Self-selection	54.9	-2.1	-3.6%	16.1	-0.0	-0.2%
	Toiletries	26.9	-1.7	-6.0%	7.2	-0.9	-10.6%
	Cosmetics	213.9	-1.3	-0.6%	70.6	+3.4	+5.0%
	Healthcare	11.2	+0.0	+0.1%	3.3	-0.2	-5.2%
	Others	26.0	+0.4	+1.6%	8.4	+0.4	+4.5%
Domestic Cosmetics		251.2	-0.9	-0.4%	82.3	+3.6	+4.5%

* For a year-on-year comparison of the first three quarters only, please refer to the supplemental data on p.18.

<Third quarter>

- Market growth was the same level as the previous year as a result of recovery in personal consumption.
- Although store sales (Counseling + Self-selection) growth remained flat overall, sales via department stores and drugstores were higher than the year-ago level.
- The amount relating to special recovery of market inventory that was recorded as an extraordinary loss is not included in the above amounts.

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Global Business Sales by Reportable Segment



		FY2013 First Three Quarters			FY2013 Third Quarter (3 months)		
(Billion yen)			YoY % Change	Local Currency		YoY % Change	Local Currency
	Cosmetics	241.7	+23.6%	+0.0%	78.1	+30.4%	+0.8%
	Professional	35.1	+16.6%	+2.0%	11.8	+17.9%	+0.8%
Global Business		276.8	+22.7%	+0.3%	89.9	+28.6%	+0.8%

* For a year-on-year comparison of the first three quarters only, please refer to the supplemental data on p.19.

Sales by Geographic Segment



		FY2013 First Three Quarters			FY2013 Third Quarter (3 months)		
(Billion yen)			YoY % Change	Local Currency		YoY % Change	Local Currency
Japan		271.4	-0.5%	-0.6%	89.6	+4.1%	+3.9%
	Americas	83.0	+23.8%	+1.4%	27.9	+20.4%	-4.8%
	Europe	69.8	+27.6%	+2.3%	23.9	+33.8%	+1.2%
	Asia/Oceania	111.2	+23.1%	-0.6%	33.5	+39.4%	+7.9%
	Overseas	264.0	+24.5%	+0.8%	85.3	+31.1%	+1.5%
Total		535.4	+10.4%	+0.0%	174.9	+15.7%	+2.9%

* For a year-on-year comparison of the first three quarters only, please refer to the supplemental data on p.20.

Cost of Sales/ SG&A

(Billion yen)	13/12 Result			12/12 Result		YoY Increase/ Decrease +:cost cut	YoY % Change
		% of Net Sales	% pt. Change +:decrease		% of Net Sales		
Cost of Sales	131.5	24.6%	-0.5%	116.9	24.1%	-14.6	+12.5%
SG&A	370.5	69.2%	+4.8%	358.7	74.0%	-11.8	+3.3%
(Domestic)	196.6	72.7%	+4.5%	209.3	77.2%	+12.8	-6.1%
(Overseas)	174.0	65.7%	+4.2%	149.4	69.9%	-24.6	+16.5%
Advertising & Selling	112.7	21.1%	+2.6%	115.0	23.7%	+2.3	-2.0%
Personnel	134.0	25.0%	+1.2%	126.8	26.2%	-7.2	+5.7%
Others	117.2	21.9%	+0.8%	110.2	22.7%	-7.0	+6.4%
M&A-related Amortization Cost	6.7	1.2%	+0.2%	6.8	1.4%	+0.1	-1.6%

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Operating Income by Reportable Segment

(Billion yen)		13/12 Result	12/12 Result	YoY Amount	YoY % Change
Domestic Cosmetics	Operating Income	28.1	17.5	+10.6	+60.6%
	OP Margin	11.1%	6.9%	+4.2 pp	
Global Business	Operating Income before Amortization	9.9	-2.9	+12.8	—
	Operating Income	3.3	-9.6	+12.9	—
	OP Margin	1.2%	-4.2%	+5.4 pp	
Others	Operating Income	1.6	1.4	+0.2	+15.6%
	OP Margin	14.5%	12.7%	+1.8 pp	
Elimination/ Corporate	Operating Income	0.3	-0.1	+0.5	—
Total	Operating Income before Amortization	40.0	15.9	+24.1	+151.2%
	Operating Income	33.3	9.2	+24.2	+264.3%
	OP Margin	6.2%	1.9%	+4.3 pp	

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Consolidated Balance Sheets

SHISEIDO

(Billion yen)	13/12	Change from 2013/3	Excluding Foreign Currency Exchange	Foreign Currency Exchange
Total Current Assets	346.0	+13.3	-11.0	+24.3
Cash Deposits and Securities	105.2	+14.0	+7.3	+6.7
Notes & Accounts Receivable	107.7	-10.5	-18.5	+8.0
Inventories	94.7	+10.2	+2.4	+7.7
Total Fixed Assets	392.0	+9.1	-14.9	+24.1
Property Plant and Equipment	131.1	+3.3	-2.4	+5.7
Intangible Assets	158.8	+8.1	-8.6	+16.8
Investments and Other Assets	102.1	-2.3	-3.9	+1.6
Total Assets	738.0	+22.4	-25.9	+48.3

US1\$ = ¥97.8 1€ = ¥131.9 1RMB = ¥16.0 (13/12)
US1\$ = ¥86.6 1€ = ¥114.7 1RMB = ¥13.9 (13/3)

(Billion yen)	13/12	Change from 2013/3	Excluding Foreign Currency Exchange	Foreign Currency Exchange
Total Liabilities	392.2	-20.3	-33.6	+13.3
Notes & Accounts Payable	46.0	+2.5	+0.0	+2.5
Other Payables	31.8	-7.9	-8.3	+0.4
Interest-bearing Debt	173.5	-11.2	-12.6	+1.5
Total Net Assets	345.8	+42.7	+7.6	+35.0
Shareholders' Equity	325.9	+3.4	—	—
Other Comprehensive Income	0.2	+35.7	—	—
Minority Interests	18.8	+3.5	—	—
Total Liabilities and Net Assets	738.0	+22.4	-25.9	+48.3

* NOTE: Major accounts only
Equity Ratio: 44.2%, Interest-bearing Debt Ratio: 33.4% (13/12)
Equity Ratio: 40.1%, Interest-bearing Debt Ratio: 37.9% (13/3)

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Outlook for FY2013

SHISEIDO

(Billion yen)	Forecast	YoY % Change	Local Currency	YoY Amount	Difference from October Forecast
Net Sales	750.0	+10.7%	+0%	+72.3	+10.0
Domestic	367.0	-1.7%	-2%	-6.3	+/-0.0
Overseas	383.0	+25.8%	+2%	+78.5	+10.0
Operating Income	42.0	+61.3%	—	+16.0	+2.0
Ordinary Income	44.0	+54.9%	—	+15.6	+3.0
Extraordinary Income/Loss	-6.5	-34.8	—	+28.3	+3.0
Net Income	19.0	-14.7	—	+33.7	+4.0

The figure in parentheses is the amount in the previous fiscal year.

- Overseas Sales Ratio 51.1% (+6.2%)
- Operating Margin 5.6% (+1.8%)
- Exchange Rate 1 US\$ = ¥98 (+22%), 1 Euro = ¥130 (+26%),
1 RMB = ¥15.9 (+26%)
- Dividend Interim: ¥10 Year-end: ¥10 (plan)

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Future Initiatives/Japan (Fourth Quarter)

SHISEIDO

Focus on expansion in the prestige segment

Prioritizing investment in advertising and ramping up store promotions

Targeting the senior market



Global brand SHISEIDO

最旬メイクをかなえる
この春、とっておきアイライナー。

8mmズラしいアイライナーで瞳に深みを与え、目元を魅了。
ベネフィークが1層を形成して出すのは、
タテにもホウキにもなれる特製アイライナー。
濃く描けるクリームタイプと、細く描けるリキッドタイプの
いいところどり、今までにない新タイプで、
細線タイプが描ける「リキッドリキッドアイライナー」
濃く描けるベネフィークのアイライナーが、
あなたのアイライナーです。

1周年記念 特別限定品

ベネフィーク セラミド スマートリキッドアイライナー 2色 新発売
¥35,180/55



BENEFIQUE THEOTY SMART LIQUID EYELINER



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Future Initiatives/Japan (Fourth Quarter)

SHISEIDO

Strengthening products in
middle-price range lines

Launching summer
products early

Prioritizing investment in advertising and ramping up store promotions



MAQUILLAGE
ESSENCE GLAMOROUS ROUGE NEO



AG+
Age Deodorant Spray



ELIXIR
Lifting Moisture Pact UV



ANESSA
Perfect Essence Sunscreen

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Priority development and consolidation of AUPRES and URARA (specialty store business)



Focus on expansion in the two coastal provinces, which have large cosmetics markets

Establish robust brands through relentless distinction and concentration and develop a lean management structure

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Laying the foundations for future growth

Direct to Consumer (DTC) Business



Airing of new infomercial for core foundation product

Retail Business

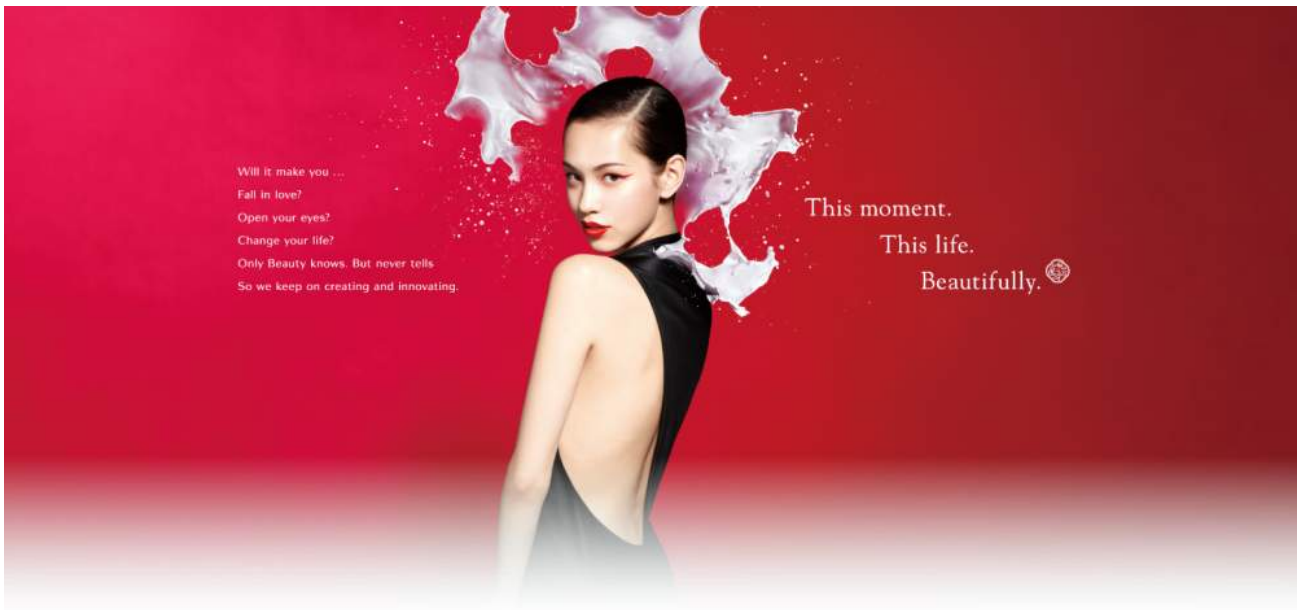


Rationalization of number of stores
Expansion of per-store sales

Strengthening of synergy between Direct to Consumer (DTC) business and retail business


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Corporate advertising
"This moment. This life. Beautifully."
"Trying to reach the Pinnacle of Beauty"



Will it make you ...
Fall in love?
Open your eyes?
Change your life?
Only Beauty knows. But never tells
So we keep on creating and innovating.

This moment.
This life.
Beautifully. 

This moment. This life. Beautifully. 

[Supplemental Data]
Sales by Reportable Segment

SHISEIDO

	13/12 Result		12/12 Result		YoY % Change	Local Currency
		% of Net Sales		% of Net Sales		
(Billion yen)						
Domestic Cosmetics	251.2	46.9%	252.1	52.0%	-0.4%	-0.4%
Global Business	276.8	51.7%	225.6	46.5%	+22.7%	+0.3%
Others	7.4	1.4%	7.1	1.5%	+4.4%	+4.4%
Total	535.4	100%	484.8	100%	+10.4%	+0.0%

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[Supplemental Data]
Domestic Cosmetics Sales by Reportable Segment

SHISEIDO

		13/12 Result		12/12 Result		YoY Amount	YoY % Change
			% of Net Sales		% of Net Sales		
	(Billion yen)						
	Counseling	132.2	24.7%	129.8	26.8%	+2.5	+1.9%
	Self-selection	54.9	10.3%	56.9	11.7%	-2.1	-3.6%
	Toiletries	26.9	5.0%	28.6	5.9%	-1.7	-6.0%
	Cosmetics	213.9	40.0%	215.3	44.4%	-1.3	-0.6%
	Healthcare	11.2	2.1%	11.2	2.3%	+0.0	+0.1%
	Others	26.0	4.8%	25.6	5.3%	+0.4	+1.6%
	Domestic Cosmetics	251.2	46.9%	252.1	52.0%	-0.9	-0.4%

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[Supplemental Data]

Global Business Sales by Reportable Segment



		13/12 Result		12/12 Result		YoY Amount	YoY % Change	Local Currency
			% of Net Sales		% of Net Sales			
(Billion yen)								
	Cosmetics	241.7	45.1%	195.5	40.3%	+46.2	+23.6%	+0.0%
	Professional	35.1	6.6%	30.1	6.2%	+5.0	+16.6%	+2.0%
	Global Business	276.8	51.7%	225.6	46.5%	+51.2	+22.7%	+0.3%

[Supplemental Data]

Sales by Geographic Segment



		13/12 Result		12/12 Result		YoY Amount	YoY % Change	Local Currency
			% of Net Sales		% of Net Sales			
(Billion yen)								
	Japan	271.4	50.7%	272.7	56.2%	-1.3	-0.5%	-0.6%
	Americas	83.0	15.5%	67.0	13.8%	+15.9	+23.8%	+1.4%
	Europe	69.8	13.0%	54.7	11.3%	+15.1	+27.6%	+2.3%
	Asia/Oceania	111.2	20.8%	90.4	18.7%	+20.9	+23.1%	-0.6%
	Overseas	264.0	49.3%	212.1	43.8%	+51.9	+24.5%	+0.8%
	Total	535.4	100%	484.8	100%	+50.6	+10.4%	+0.0%

[Supplemental Data]

SG&A-Breakdown by Domestic/Overseas



(Billion yen)		13/12 Result	12/12 Result	YoY Increase/Decrease +:cost cut	YoY % Change
	Domestic	56.4	60.9	+4.5	-7.4%
	Overseas	56.2	54.1	-2.2	+4.1%
	Advertising & Selling	112.7	115.0	+2.3	-2.0%
	Domestic	78.4	83.6	+5.1	-6.2%
	Overseas	55.6	43.3	-12.4	+28.6%
	Personnel	134.0	126.8	-7.2	+5.7%
	Domestic	61.6	64.7	+3.1	-4.9 %
	Overseas	55.6	45.4	-10.2	+22.4%
	Others	117.2	110.2	-7.0	+6.4%
	Domestic	0.1	0.1	-	+/-0.0%
	Overseas	6.6	6.7	+0.1	-1.7%
	M&A-related Amortization Cost	6.7	6.8	+0.1	-1.6%
	Domestic	196.6	209.3	+12.8	- 6.1%
	Overseas	174.0	149.4	-24.6	+16.5%
	Total	370.5	358.7	-11.8	+3.3%