

FY2014 First Three Quarters Results and Outlook

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Norio Tadakawa
Corporate Officer, CFO
Shiseido Co., Ltd.

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.

- My name is Norio Tadakawa and I am in charge of finance and IR.
- I would like to review our results for the third quarter of fiscal 2014 and explain our full-year outlook for fiscal 2014.

First Three Quarters Results (Ended December 2014)

(Billion yen)	Results	YoY % Change	Local Currency	YoY Amount
Net Sales	555.8 [190.1]	+3.8% [+8.7%]	+0.2% [+6.0%]	+20.4 [+15.2]
Domestic	265.0 [92.4]	-2.4% [+3.2%]	-2.4% [+3.2%]	-6.4 [+2.9]
Overseas	290.8 [97.6]	+10.2% [+14.4%]	+2.8% [+8.9%]	+26.8 [+12.3]
Operating Income	18.8	-43.6%	-46.6%	-14.5
Ordinary Income	20.5	-42.0%	-	-14.9
Extraordinary Income/Loss	20.1	(-5.0)	-	+25.1
Net Income	27.8	+66.1%	-	+11.1

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 52.3% (+3.0 pp)
- Operating Profitability 3.4% (-2.8 pp)
- Exchange Rate 1 US\$ = ¥103.0 (+6%), 1 Euro = ¥139.5 (+10%),
1 RMB = ¥16.7 (+6%)

- Let's begin with a summary of the statement of income.
- During the nine months ended in December 2014, consolidated net sales rose 3.8% over the same period last year, to 555.8 billion yen.
- Domestic sales for the third quarter increased 3.2%. However, sales for the nine month ended December 2014 decreased 2.4%, to 265.0 billion yen, reflecting the reactionary fall in the first quarter that followed the rush demand before the consumption tax hike.
- Overseas sales for the third quarter from July to September rose 8.9% in local currency terms. Sales for the nine months ended in September 2014 rose 2.8% in local currency terms and 10.2% in yen, to 290.8 billion yen.

First Three Quarters Results (Ended December 2014) SHI/EIDO

(Billion yen)	Results	YoY % Change	Local Currency	YoY Amount
Net Sales	555.8 [190.1]	+3.8% [+8.7%]	+0.2% [+6.0%]	+20.4 [+15.2]
Domestic	265.0 [92.4]	-2.4% [+3.2%]	-2.4% [+3.2%]	-6.4 [+2.9]
Overseas	290.8 [97.6]	+10.2% [+14.4%]	+2.8% [+8.9%]	+26.8 [+12.3]
Operating Income	18.8	-43.6%	-46.6%	-14.5
Ordinary Income	20.5	-42.0%	-	-14.9
Extraordinary Income/Loss	20.1	(-5.0)	-	+25.1
Net Income	27.8	+66.1%	-	+11.1

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** 52.3% (+3.0 pp)
- **Operating Profitability** 3.4% (-2.8 pp)
- **Exchange Rate** 1 US\$ = ¥103.0 (+6%), 1 Euro = ¥139.5 (+10%), 1 RMB = ¥16.7 (+6%)

- Operating income decreased 43.6% compared to last year, to 18.8 billion yen. Factors contributing to the decrease included stepped up overseas marketing investment and the cost of handling the distribution center problems that arose in the United States, in addition to factors in Japan including the decrease in gains attributable to the decline of net sales and higher personnel costs such as bonuses.
- Extraordinary income/loss amounted to 20.1 billion yen, partly reflecting gains from the sale of the *DECLÉOR* and *CARITA* brands in April. Net income increased 66.1%, to 27.8 billion yen.

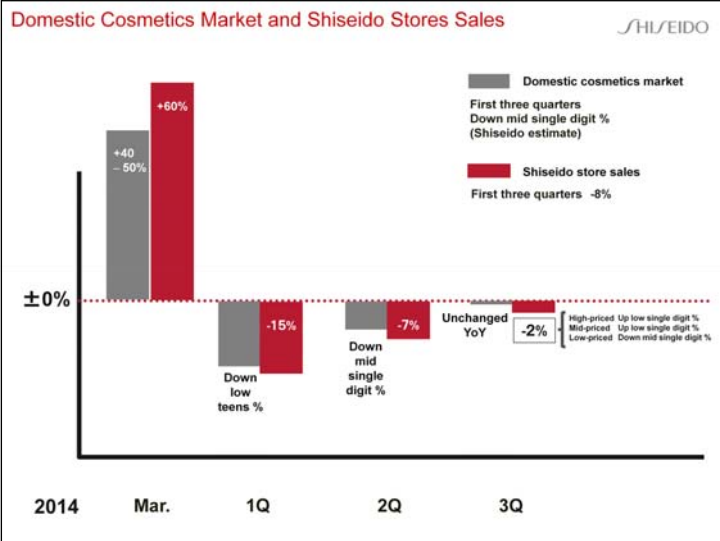
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Domestic Cosmetics Business Sales by Reportable Segment SHI/EIDO

(Billion yen)	FY2014 First Three Quarters			FY2014 Third Quarter (3 months)		
	YoY Amount	YoY % Change	YoY Amount	YoY % Change		
Counseling	128.7	-3.5	-2.7%	50.5	+3.1	+6.6%
Self-selection	54.2	-0.7	-1.2%	15.6	-0.5	-3.3%
Toiletries	24.9	-1.9	-7.1%	7.3	+0.1	+0.9%
Cosmetics	207.8	-6.1	-2.9%	73.3	+2.7	+3.8%
Healthcare	10.8	-0.4	-3.4%	2.9	-0.3	-10.4%
Others	26.7	+0.7	+2.7%	9.1	+0.8	+9.5%
Domestic Cosmetics	245.4	-5.8	-2.3%	85.4	+3.1	+3.8%

(Billion yen)	14/12 Result	13/12 Result	YoY Amount	YoY % Change
Operating Income	20.2	28.1	-7.9	-27.9%
Operating Profitability	8.2%	11.1%	-2.9pp	

- Let us now move on to consolidated results by reportable segment.
- Domestic Cosmetics Business sales are as shown in this table. Operating income for the nine months ended in December 2014 declined 27.9%.



- Now I will report briefly on the details of our domestic cosmetics business. First of all, we look at the domestic cosmetics market and Shiseido's store sales.
- In the third quarter, the domestic market remained almost unchanged from the same period of the previous year.
- However, Shiseido's store sales declined 2% overall due to the slump in low-priced products, despite the recovery of mid- and high-priced products.



- We now move to the next page. With regard to the Domestic Cosmetics business in the third quarter, store sales of our mainstay lines are back on a recovery track following our efforts to strengthen them.
- Notably, concerning the *ELIXIR* and *MAQUILLAGE* lines, for which we implemented innovations, promotion of the ICHIGAN Project through the joint efforts of companies including the Shiseido Head Office and sales subsidiary, in addition to strengthening products and communications, contributed greatly to growth in store sales.

Domestic Cosmetics Business: Recovery of Mid- and High-Priced Range Brands SHISEIDO

- Strong performance of lines for which we introduced innovations
- Promotion of ICHIGAN Project
- Stronger measures for increasing inbound sales

Year-on-year changes in monthly store sales

Store sales of mainstay brands and lines that have been strengthened are back on the recovery track.

Promoting brand innovation powerfully through the ICHIGAN Project

Strengthen measures for increasing inbound sales

Use of tablet computers compatible with multiple languages

Shiseido corner in Narita Airport

- What is more, inbound sales have also increased. As new initiatives, we have set up special corners mainly in department stores and encouraged the use of tablet computers compatible with multiple languages for counseling activities, for example. As a result, inbound sales more than tripled from the year-ago level. At department stores, where the measures have proved most effective to increase inbound sales, overall store sales also increased nearly 10% from the year-ago level.
- On the other hand, our remaining challenges include the poor performance of haircare and body care products and men's category, in addition to the struggle of low-priced self-selection cosmetics such as those of the *Aqua Label* and *INTEGRATE* lines. Consequently, although store sales of the brands and lines on which we focused our efforts were strong, they did not go far enough to increase overall store sales.

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Domestic Cosmetics Business: Continued Aggressive Marketing SHISEIDO

Accelerate measures to strengthen the counseling categories with the ICHIGAN Marketing

Launched on January 21
PRIOR

New *ELIXIR* products to be launched on February 21

New *MAQUILLAGE* products to be launched on February 21

New *HAKU* products to be launched on March 21

ICHIGAN SHISEIDO
プロジェクト

- In the fourth quarter, we will aim to enhance the self-selection and toiletries category in addition to our existing plan of strengthening the counseling category.
- For the brand innovation, we will aim to increase store sales through communication renewal and promotion of ICHIGAN Marketing, which is comprehensive marketing from research and development to sales. We will also launch groundbreaking new products developed by applying new technologies.
- For *PRIOR*, a new line for senior women that we introduced to develop a new market, we implemented pre-sales of hair products in December at *watashi+*, and the products rapidly sold out. This helped attract attention to the new line before its launch in stores. After their launch in stores on January 21, opportunities to meet new customers have been increasing steadily, driven by haircare products and foundation.

6-1

Accelerate measures to strengthen the counseling categories with the ICHIGAN Marketing



Launched on January 21
PRIOR



New ELIXIR products to be launched on February 21



New MAQUILLAGE products to be launched on February 21



New HAKU products to be launched on March 21

ICHIGAN SHISEIDO
PROJECT

- In February, we will introduce beauty emulsion for daytime use from the *ELIXIR*, which has been enjoying strong sales since the innovation. We developed this emulsion in response to requests from customers desiring a high UV protection effect. From *MAQUILLAGE*, we will launch a foundation developed by applying a new technology. With these new products, we will aim for sustainable growth and further increase of our market share. In March, we will take an additional step. In the skin-brightening category, where we have the greatest technological advantage, we will offer *HAKU* products as a series by including new items such as foam emulsion.

Strengthen haircare/body care/men's categories with a focus on renewal of *TSUBAKI*



New ANESSA products to be launched on February 21



New *TSUBAKI* products to be launched in the end of March



New *SENKA* products to be launched in the middle of February



New *ADENOGEN* products to be launched on February 21

- Further, in the haircare category, which has been an issue for us, we will renew our products and communication by innovating *TSUBAKI* in March, in an effort to overtake our competitors. In addition, we will strengthen *ANESSA* and *SENKA* in the body care category and *ADENOGEN* in the men's category, enhancing our brand portfolio.

Global Business Sales by Reportable Segment SHISEIDO

(Billion yen)	FY2014 First Three Quarters			FY2014 Third Quarter (3 months)		
		YoY % Change	Local Currency		YoY % Change	Local Currency
Cosmetics	270.7	+12.0% [+12.5%]	+4.5% [+5.0%]	92.1	+17.9% [+18.7%]	+12.1% [+12.9%]
Professional	31.9	-9.3% [+3.3%]	-13.2% [-0.6%]	9.6	-18.4% [+1.8%]	-20.4% [-1.3%]
Global Business	302.6	+9.3% [+11.6%]	+2.3% [+4.4%]	101.7	+13.1% [+16.9%]	+7.9% [+11.3%]

*Note: Figures in parentheses exclude the effect of the sale of the DECLÉOR and CARITA brands


(Billion yen)	14/12 Result	13/12 Result	YoY Amount	YoY % Change
Operating Income before Amortization of Goodwill and Sales Rights	3.7	9.9	-6.2	-62.6%
Operating Income	-3.1	3.3	-6.5	-
Operating Profitability	-1.0%	1.2%	-2.2pp	

- Sales for the nine months ended September 2014 climbed 2.3% in local currency terms. However, operating income decreased from the year-ago level, mainly reflecting *bareMinerals*, increasing marketing investments in China, and the distribution center problems in the United States.


Overseas: Overview of Third Quarter FY2014 (Jul.-Sep.) SHISEIDO

Region	YoY Comparison of 3Q Sales (Local Currency Basis)	Content
Overseas total	+14.4% (+8.9%)	(+) <i>ULTIMUNE</i> remained strong in all regions
Americas	+22.4% (+16.4%)	(+) Continued strong sales of <i>BARESKIN</i> and <i>NARS</i>
Europe	+15.2% (+9.2%)	(+) Increased sales of fragrance business (-) Decreased sales as a result of sale of <i>DECLÉOR</i> and <i>CARITA</i> brands
Asia / Oceania	+7.2% (+2.5%)	(+) Strong performance in travel retail business, Malaysia and e-commerce business in China

● **ULTIMUNE wins cosmetics awards all over the world**



● A number of best cosmetics awards in Japan



● Prix d'Excellence Awards

- Overseas sales for the third quarter increased 8.9% from the year-ago level in local currency terms. Sales grew year on year in all regions, and sales of the global brand *SHISEIDO*, from which we launched *ULTIMUNE*, remained strong worldwide.
- *ULTIMUNE* not only enjoyed strong sales but also won best cosmetics awards all over the world in 2014, including “Prix d’Excellence,” the world’s preeminent award. It has thus contributed greatly to strengthening the brand. Above all, in Japan, opportunities to meet customers in the younger generations have been increasing. In addition, 20% of people who purchase our products are new customers, and the proportion of repeat customers among them has already exceeded 30%. This *ULTIMUNE* holds the key to the growth of the global brand *SHISEIDO*, and we are quickly developing plans for strengthening the brand further.

Overseas: Overview of Fourth Quarter FY2014 (Oct.-Dec.)

SHISEIDO

Region	4Q Sales- (Local Currency Basis)	Content
Americas	YoY Unchanged	(+) Continued strength in sales of NARS and fragrance business (-) ZOTOS
Europe	YoY Unchanged	(+) Fragrance business (-) Germany, Italy (-) Decreased sales as a result of sale of <i>DECLÉOR</i> and <i>CARITA</i> brands
Asia / Oceania	Down YoY	(+) Travel retail business (-) Inventory optimization in China and Asia

* Figures in this document showing increase/decrease in sales are based on simple aggregation of preliminary figures. Accordingly, they may differ from year-on-year changes of actual sales in each region in local currency terms which are disclosed in our consolidated settlement of accounts.



NARS



narciso rodriguez



ISSEY MIYAKE

- Now we go to the next page. I will explain the overview of sales of Global Business by including full-year results because the fourth quarter has ended overseas.
- In the Americas, sales of *NARS*, the fragrance business, were among the strong performers in the fourth quarter, but sales of *ZOTOS* were down from the year-ago level. As a result, overall sales of the region remained unchanged from the previous year. Concerning the distribution center problems that occurred in the first quarter, related costs have continued to increase but operations were smooth in the fourth quarter, which is the period with peak demand. Consequently, these problems are no longer causing an opportunity cost.
- In the second half of 2014, *bareMinerals* and *NARS*, which have been growing at a double-digit clip, together with the fragrance business contributed to sales, which increased year on year.

Overseas: Overview of Fourth Quarter FY2014 (Oct.-Dec.)

SHISEIDO

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NARS



narciso rodriguez



ISSEY MIYAKE

- In Europe, sales for the fourth quarter remained unchanged from the year-ago level, despite the strength of the fragrance business, due in part to the poor performance in key nations such as Germany and Italy and the decline in sales as a result of the sale of the *DECLÉOR* and *CARITA* brands. Full-year sales remained almost flat from the previous year.
- In Asia, sales of the travel retail business remained strong in the fourth quarter. However, sales for the quarter declined from the year ago level and full-year sales were also down from the previous year as we optimized inventory with a focus on China. In 2015, store sales and shipment have been linked to each other in a sound manner, having allowed us to make a good start.

Introduce groundbreaking new products

Accelerate renewal of store counters



BOP
Glow Revival Serum

To be launched in March
Perfect UV Protection N

bareMinerals
Complexion Rescue

- Let me now explain our building of brand strength in overseas markets. New products from the global brand SHISEIDO include a serum developed with a focus on the skin circulation system, which will be launched in January, and sunscreen developed by applying a state-of-the-art technology that strengthens the UV protection layer whenever sweat or water is detected, which will be launched in March. At the same time, we will also promote renewal of our store counters by significant boosting investment in sales counters, so as to improve our counter services and enhance our presence in stores. Through these efforts, we will aim to build brand strength.

Introduce groundbreaking new products

Accelerate renewal of store counters



BOP
Glow Revival Serum

To be launched in March
Perfect UV Protection N

bareMinerals
Complexion Rescue

- From bareMinerals, we launched in January a new emulsion foundation compatible with BB cream and CC cream, the markets for which have continued to expand. We will concentrate our marketing investment on this product and BARESKIN, a product launched in May last year, whose accumulated store sales reached around 5.0 billion yen in North America alone. We will thus strive to increase the growth potential of these products.
- By introducing such groundbreaking new products on a global level, we will build brand strength in an effort to achieve sales growth.

Initiatives for Reconstruction of China Business SHI/EIDO

Areas where results have been produced	<ul style="list-style-type: none"> ● Promote structural reform ● Establishment of the e-commerce business department ● Accelerate localization of marketing function ● New organizational structure, including appointment of new local subsidiary president
Current Challenges	<ul style="list-style-type: none"> ● Building of brand portfolio ● Initiatives to reenergize beauty consultants



- Next, I will explain about our business in China. As we announced in VISION 2020 in December, we have been moving ahead with internal reform projects across all of our sites in China, executing them steadily toward reconstruction of our business in China.
- Rapid progress has already been made by establishing the EC business department that works across brands and localizing the marketing function. We are also doing well with arranging the human resources and constructing a framework for making changes. For example, a local employee was assigned responsibility for the prestige business for the first time in January. In this way, the organizational climate in China is shifting to one in which employees are full of motivation with a sense of strain.

Initiatives for Reconstruction of China Business SHI/EIDO

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Current Challenges	<ul style="list-style-type: none"> ● Building of brand portfolio ● Initiatives to reenergize beauty consultants



- With regard to reconstruction of the brand portfolio and initiatives to reenergize beauty consultants, progress has been as planned.
- In fiscal 2014, we saw mid-single digit negative sales growth in the business. In fiscal 2015, we will step up our marketing investments to achieve growth and respond to rapid changes in the market.

Consolidated Balance Sheets SHI/EIDO

(Billion yen)	14/12	Change from 2014/3	Excluding Foreign Currency Exchange	Foreign Currency Exchange
Total Current Assets	391.7	-10.9	-13.9	+3.0
Cash, Time Deposits and Short-term Investments in Securities	110.9	-18.0	-19.3	+1.4
Notes & Accounts Receivable	124.1	-14.2	-14.2	+0.0
Inventories	111.2	+20.9	+19.8	+1.2
Total Fixed Assets	390.6	-8.1	-14.4	+6.2
Property, Plant and Equipment	132.7	-2.2	-3.3	+1.0
Intangible Assets	157.4	-9.3	-14.6	+5.3
Investments and Other Assets	100.6	+3.4	+3.5	-0.1
Total Assets	782.4	-19.0	-28.2	+9.2

US\$ = ¥109.5 1€ = ¥138.9 1RMB = ¥17.8 (2014/12)
 US\$ = ¥105.4 1€ = ¥145.0 1RMB = ¥17.4 (2014/3)

(Billion yen)	14/12	Change from 2014/3	Excluding Foreign Currency Exchange	Foreign Currency Exchange
Total Liabilities	400.6	-42.1	-44.1	+2.0
Notes & Accounts Payable	90.2	-8.8	-8.7	-0.1
Interest-bearing Debt	128.0	-27.9	-28.2	+0.3
Accrued/Liabilities for Retirement Benefits	74.3	+13.5	+13.6	-0.1
Total Net Assets	381.8	+23.1	+15.9	+7.2
Shareholders' Equity	345.0	+9.5	-	-
Accumulated Other Comprehensive Income	14.6	+11.5	-	-
Minority Interests in Consolidated Subsidiaries	21.2	+2.0	-	-
Total Liabilities and Net Assets	782.4	-19.0	-28.2	+9.2

* NOTE: Major accounts only
 Equity Ratio: 46.0%, Interest-bearing Debt Ratio: 25.1% (2014/12)
 Equity Ratio: 42.2%, Interest-bearing Debt Ratio: 30.3% (2014/3)

- Let us now turn our attention to the balance sheet.
- Total assets as of the end of December decreased 19.0 billion yen from the end of March 2014, to 782.4 billion yen. In addition, there were foreign currency effects of 9.2 billion yen attributable to the weak yen, which means that actual total assets excluding the foreign currency effects decreased 28.2 billion yen.
- The major factor behind the decrease is the fact that we repaid loans using funds gained from the transfer of the *DECLÉOR* and *CARITA* brands.
- The equity ratio rose 3.8 percentage points from the end of the previous fiscal year, to 46.0%, and the interest-bearing debt ratio fell 5.2 percentage points, to 25.1%. Thus, the stability of financial situation has improved.

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Outlook for FY2014 SHI/EIDO

(Billion yen)	15/3	14/3	YoY % Change	Local Currency	Difference from October Forecast
Net Sales	775.0	762.0	+1.7%	-2%	+5.0
Domestic	363.0	377.3	-3.8%	-4%	-4.0
Overseas	412.0	384.8	+7.1%	-1%	+9.0
Operating Income	25.0	49.6	-49.6%	-	±0.0
Ordinary Income	26.0	51.4	-49.4%	-	±0.0
Extraordinary Income/Loss	18.5	-1.0	-	-	±0.0
Net Income	30.0	26.1	+14.7%	-	±0.0

- Overseas Sales Ratio 53.2%
- Operating Profitability 3.2%
- Forecast ROE 8.6%
- Exchange Rate 1 US\$ = ¥105.9 (+8%), 1 Euro = ¥140.4 (+8%), 1 RMB = ¥17.2 (+8%)
- Cash Dividend Interim: ¥10 Year-end: ¥10 (plan)

- Next, I will explain the outlook for the full year. We expect that net sales will be 775.0 billion yen, up 5.0 billion yen from our previous forecast. Our domestic sales forecast is 363.0 billion yen, down 4.0 billion yen from our previous forecast. We raised our overseas sales forecast by 9.0 billion yen, to 412.0 billion yen, partly reflecting the replacement of exchange rates based on actual rates.
- Forecasts for operating income and ordinary income, extraordinary income/loss and net income are all unchanged, with the decline in domestic gross profit offset by the improved efficiency of personnel and other expenses as well as the higher profit at our sites in overseas countries.
- As for cash dividends, we plan to pay a year-end dividend of 10 yen and 20 yen for the year as initially announced.

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Rejuvenate Shiseido SHISEIDO

- Renew the brands and strengthen the portfolio.
- Execute ICHIGAN Marketing.
- VISION 2020: Change awareness and actions in customer-oriented manners
- Promote structural reform merged with the organizational reform

一新、TSUBAKI




Kick-off meeting on the VISION 2020

Achievement of sustainable growth

- As I have explained, the lines and brands on which we focused our efforts yielded results in the third quarter, but they need to go further to improve the overall results. Therefore, we will continue to innovate our lines, with *TSUBAKI* at the top of the list, thereby bolstering our portfolio. The new catch phrase of *TSUBAKI* will be “The New *TSUBAKI*” And not only *TSUBAKI* but also Shiseido have changed significantly.
- The ICHIGAN Project is not a short-term promotion. It has begun to be adopted internally as an established practice in the form of ICHIGAN Marketing to create a new organizational climate.
- Under the VISION 2020, which we announced in December, various sessions have started at individual organizations with the keywords of “Rejuvenate Shiseido.” These sessions aim at discussing how each employee should change their awareness and actions in customer-oriented manners. In this way, activities for changing awareness and actions have started to gain momentum.

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Rejuvenate Shiseido SHISEIDO

- Renew the brands and strengthen the portfolio.
- Execute ICHIGAN Marketing.
- VISION 2020: Change awareness and actions in customer-oriented manners
- Promote structural reform merged with the organizational reform

一新、TSUBAKI




Kick-off meeting on the VISION 2020

Achievement of sustainable growth

- On the other hand, internal projects for structural reform have been merged with the organizational reform based on a matrix, and people responsible for each have been working on the projects at their own initiative all over the world. They are steadily implementing the projects by discussing improvement measures daily, aiming to achieve results as quickly as possible.
- We will link these individual initiatives with each other as an overall strategy, aiming to shift to sustainable growth.
- Moving forward, a new organizational structure will be established in April, and each one of us will develop new improvements by reviewing existing plans again and considering recent trends. When we announce our financial results in April, we will inform you of the sales and income plans for the new three-year term and the specific strategies for each business.
- This concludes my presentation.

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[Supplemental Data 1]
Sales and Operating Income by Reportable Segment

SHISEIDO

(Billion yen)		14/12 Result	13/12 Result	YoY Amount	YoY % Change
Domestic Cosmetics Business		245.4	251.2	-5.8	-2.3%
Global Business		302.6	276.8	+25.7	+9.3%
Others		7.8	7.4	+0.4	+5.6%
Net Sales		555.8	535.4	+20.4	+3.8%

Domestic Cosmetics Business		20.2	28.1	-7.9	-27.9%
Global Business		-3.1	3.3	-6.5	-
Others		1.7	1.6	+0.1	+8.5%
Elimination/Corporate		-0.0	0.3	-0.4	-
Operating Income		18.8	33.3	-14.5	-43.6%

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[Supplemental Data 2] Sales by Geographic Segment

SHISEIDO

(Billion yen)	14/12 Result		13/12 Result		YoY Amount	YoY % Change	Local Currency
		% of Net Sales		% of Net Sales			
Japan	265.0	47.7%	271.4	50.7%	-6.4	-2.4%	-2.4%
Americas	92.8	16.7%	83.0	15.5%	+9.8	+11.9%	+4.9%
Europe	75.7	13.6%	69.8	13.0%	+5.9	+8.4%	-0.6%
Asia/Oceania	122.3	22.0%	111.2	20.8%	+11.1	+10.0%	+3.4%
China	80.7	14.5%	72.4	13.5%	+8.2	+11.3%	+4.4%
Asia (excl. China)	41.6	7.5%	38.8	7.3%	+2.9	+7.4%	+1.5%
Overseas	290.8	52.3%	264.0	49.3%	+26.8	+10.2%	+2.8%
Total	555.8	100%	535.4	100%	+20.4	+3.8%	+0.2%

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[Supplemental Data 3] Cost of Sales and SG&A Expenses

(Billion yen)	14/12 Result			YoY Change +: cost cuts	YoY % Change	Impact of Foreign Currency Exchange	Excl. Impact of Foreign Currency Exchange +: cost cuts
		% of Net Sales	% pt. Change +: decrease				
Cost of Sales	138.1	24.8%	-0.2%	-6.6	+5.0%	-5.2	-1.4
SG&A Expenses	398.8	71.8%	-2.6%	-28.3	+7.6%	-13.3	-15.0
(Domestic)	200.7	75.9%	-3.2%	-4.1	+2.1%	-	-4.1
(Overseas)	198.1	68.0%	-2.3%	-24.2	+13.9%	-13.3	-10.8
Marketing Costs	126.5	22.8%	-1.7%	-13.8	+12.3%	-4.8	-9.0
Personnel Expenses	141.7	25.5%	-0.5%	-7.6	+5.7%	-4.0	-3.6
Other Expenses	123.7	22.3%	-0.4%	-6.5	+5.6%	-4.0	-2.5
M&A-related Amortization Cost	6.9	1.2%	-0.0%	-0.3	+4.1%	-0.5	+0.2

[Supplemental Data 4]
Breakdown of SG&A Expenses by Domestic/Overseas

(Billion yen)	14/12 Result	13/12 Result	YoY Change +: cost cuts	YoY % Change	Impact of Foreign Currency Exchange	Excl. Impact of Foreign Currency Exchange +: cost cuts
Domestic	56.5	56.4	-0.1	+0.1%	-	-0.1
Overseas	70.0	56.2	-13.8	+24.5%	-4.8	-9.0
Marketing Costs	126.5	112.7	-13.8	+12.3%	-4.8	-9.0
Domestic	81.5	78.4	-3.0	+3.9%	-	-3.0
Overseas	60.2	55.6	-4.6	+8.3%	-4.0	-0.6
Personnel Expenses	141.7	134.0	-7.6	+5.7%	-4.0	-3.6
Domestic	62.6	61.6	-1.0	+1.7%	-	-1.0
Overseas	61.1	55.6	-5.5	+9.9%	-4.0	-1.5
Other Expenses	123.7	117.2	-6.5	+5.6%	-4.0	-2.5
Domestic	0.1	0.1	+0.0	-0.0%	-	+0.0
Overseas	6.8	6.6	-0.3	+4.2%	-0.5	+0.2
M&A-related Amortization Cost	6.9	6.7	-0.3	+4.1%	-0.5	+0.2
Domestic	200.7	196.6	-4.1	+2.1%	-	-4.1
Overseas	198.1	174.0	-24.2	+13.9%	-13.3	-10.8
Total	398.8	370.5	-28.3	+7.6%	-13.3	-15.0

The image features a dark red background with a dynamic, abstract pattern of lighter red, wavy lines that create a sense of movement and depth. The text 'Rejuvenate Shiseido' is centered in a clean, white, sans-serif font.

Rejuvenate Shiseido