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 the summarization of accounts.

May 11, 2018

Consolidated Settlement of Accounts for the First Quarter of the Fiscal Year Ending December 31, 2018 [Japanese Standards]

Shiseido Company, Limited

Listings: Tokyo Stock Exchange, First Section (Code Number: 4911)
URL: http://www.shiseidogroup.com/
Representative: Masahiko Uotani, Representative Director, President and CEO
Contact: Harumoto Kitagawa, Department Director, Investor Relations Department
Tel. +81-3-3572-5111
Filing date of quarterly securities report: May 14, 2018
Start of cash dividend payments: —
Supplementary quarterly materials prepared: Yes
Quarterly financial results information meeting held: Yes (Conference call for institutional investors, analysts, etc.)

1. Performance for the First Quarter of the Fiscal Year Ending December 31, 2018 (From January 1–March 31, 2018)

* Amounts under one million yen have been rounded down.

(1) Consolidated Operating Results

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

	Net Sales		Operating Income		Ordinary Income		Quarterly Net Income Attributable to Owners of Parent	
First Quarter Ended March 31, 2018	263,760	[13.5%]	47,144	[95.3%]	47,221	[97.7%]	28,870	[106.2%]
First Quarter Ended March 31, 2017	232,457	[9.0%]	24,133	[9.3%]	23,885	[8.8%]	13,999	[(48.7)%]

Note: Comprehensive income
First quarter ended March 31, 2018: ¥16,869 million [153.3%]
First quarter ended March 31, 2017: ¥6,660 million [(9.0)%]

	Quarterly Net Earnings per Share (Yen)	Fully Diluted Quarterly Net Earnings per Share (Yen)
First Quarter Ended March 31, 2018	72.26	72.17
First Quarter Ended March 31, 2017	35.05	35.01

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio
As of March 31, 2018	906,549	456,855	47.8%
As of December 31, 2017	949,425	445,872	44.6%

[Reference] Equity: As of March 31, 2018: ¥432,908 million
As of December 31, 2017: ¥423,447 million

2. Cash Dividends

	Cash Dividends per Share (Yen)				
	1Q	2Q	3Q	Year-End	Full Year
Fiscal Year Ended December 31, 2017	—	12.50	—	15.00	27.50
Fiscal Year Ending December 31, 2018	—				
Fiscal Year Ending December 31, 2018 (plan)		15.00	—	15.00	30.00

Note: Revision to the most recently disclosed dividend forecast: None

3. Forecast for the Fiscal Year Ending December 31, 2018 (From January 1–December 31, 2018)

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

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Earnings per Share (Yen)
Fiscal Year Ending December 31, 2018	1,033,000 [2.8%]	90,000 [11.9%]	90,000 [12.0%]	54,000 [137.4%]	135.15

Note: Revision to the most recently disclosed performance forecast: None

Notes

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

(2) Adoption of special accounting treatment in preparation of consolidated quarterly financial statements: None

(3) Changes in accounting policies; changes in accounting estimates; restatements

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

Group subsidiaries that have adopted IFRS standards have implemented IFRS 15, Revenue from Contracts with Customers, from the first quarter of the fiscal year ending December 31, 2018. See "2. Consolidated Quarterly Financial Statements (3) Notes Concerning Consolidated Quarterly Financial Statements (Changes in Accounting Policies)" on page 11 for further details.

(4) Shares outstanding (common stock)

1) Number of shares outstanding (including treasury stock)
   As of March 31, 2018: 400,000,000
   As of December 31, 2017: 400,000,000
2) Number of treasury stock outstanding
   As of March 31, 2018: 421,785
   As of December 31, 2017: 460,033
3) Average number of shares over the period
   First quarter ended March 31, 2018: 399,562,578
   First quarter ended March 31, 2017: 399,373,501

Implementation status of quarterly review procedures
This Consolidated Settlement of Accounts for the First Quarter of the Fiscal Year Ending December 31, 2018 is not subject to quarterly review procedures by a certified public accountant or audit firm.

Appropriate use of business forecasts; other special items
In this report, 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. Analysis of Operating Results (2) Consolidated Forecast and Other Forward-Looking Information" on page 6 for information on preconditions underlying the above outlook and other related information.

Contents

1. Analysis of Operating Results

(1) Consolidated Performance

	Net Sales (Millions of yen)	Operating Income (Millions of yen)	Ordinary Income (Millions of yen)	Quarterly Net Income Attributable to Owners of Parent (Millions of yen)	Quarterly Net Earnings per Share (Yen)
First Quarter of the Fiscal Year Ending December 31, 2018	263,760	47,144	47,221	28,870	72.26
First Quarter of the Fiscal Year Ended December 31, 2017	232,457	24,133	23,885	13,999	35.05
Percentage Change Increase/ (Decrease)	13.5%	95.3%	97.7%	106.2%	106.2%
Percentage Change Increase/ (Decrease) in Local Currency	12.8%				

In the first quarter of the fiscal year ending December 31, 2018, economic conditions in Japan continued along a path of moderate recovery. This included signs of a positive turnaround in consumer spending underpinned by improvement in employment and income gains. The domestic cosmetics market was also firm thanks to a similar ongoing trend of recovery and inbound demand supported by the continued increase in overseas tourists to Japan. Meanwhile, in overseas cosmetics markets, growth in Europe remained weak with varied performance from country to country. While growth slowed in the Americas, growth in China and the rest of Asia continued to expand steadily.

In 2015, the Shiseido Group (hereafter, the “Group”) launched VISION 2020, a six-year medium-to-long term strategy to ensure that the company remains vital for the next 100 years. To transform “from a leader in Japan to a winner worldwide,” we are shifting all of our activities toward a consumer-oriented focus and working to globally enhance our brand value.

Fiscal year ending December 31, 2018 is the first year of our new three-year plan, which is Phase 2 of VISION 2020. We are working to accomplish the new strategy to accelerate growth. To speed up sales growth, we are accelerating digitalization and developing new businesses, and generating new value through innovation as we continue substantial marketing investment with a focus on our prestige brands. Moreover, we believe our people are the source of all value creation and are actively investing in them.

In the first quarter of the fiscal year ending December 31, 2018, net sales increased 12.8% year on year on a local currency basis, making it the fourth consecutive quarter of double-digit growth. This represents organic growth of 18% year on year excluding the impact of the sale of Zotos International, Inc. (hereafter, “Zotos”), and other factors. The prestige category, where we continue strategic investment, achieved significant growth globally. We also actively engaged in cross-border marketing aimed mainly at Chinese consumers across the entire Asian region, spurring growth in Japan, China, and Travel Retail. When converted into Japanese yen, consolidated net sales reached ¥263.8 billion, 13.5% higher than the previous year.

While marketing investment was increased, strong sales of the highly profitable prestige brands in Japan, China, and elsewhere contributed substantially to profit growth. Operating income rose to ¥47.1 billion, an increase of 95.3% year on year, and net income attributable to owners of parent reached ¥28.9 billion, up 106.2% year on year.

The major foreign currency exchange rates applicable to income and expense accounting line items in the Company’s financial statements for the period under review are JPY108.3/USD, JPY133.2/EUR, and JPY17.1/CNY.

[Consolidated Performance]

(Millions of yen)

	Classification	First Quarter Ended March 31, 2018	% of Total	First Quarter Ended March 31, 2017	% of Total	Year-on-Year Increase/(Decrease)		
						Amount	% Change	Change in Local Currency
Net Sales	Japan Business	118,661	45.0%	101,395	43.6%	17,266	17.0%	17.0%
	China Business	45,640	17.3%	35,457	15.3%	10,183	28.7%	27.2%
	Asia Pacific Business	17,058	6.5%	14,695	6.3%	2,362	16.1%	13.2%
	Americas Business	28,167	10.7%	29,580	12.7%	(1,413)	(4.8)%	(1.1)%
	EMEA Business	25,057	9.5%	22,439	9.7%	2,617	11.7%	3.1%
	Travel Retail Business	21,407	8.1%	15,081	6.5%	6,325	41.9%	44.3%
	Professional Business	4,835	1.8%	10,753	4.6%	(5,917)	(55.0)%	(55.4)%
	Other	2,932	1.1%	3,053	1.3%	(121)	(4.0)%	(4.0)%
	Subtotal	263,760	100.0%	232,457	100.0%	31,303	13.5%	12.8%
	Adjustments	—	—	—	—	—	—	—
	Total	263,760	100.0%	232,457	100.0%	31,303	13.5%	12.8%

(Millions of yen)

	Classification	Intersegment sales or sales including internal transfers between accounts	
		First Quarter Ended March 31, 2018	First Quarter Ended March 31, 2017
Net Sales	Japan Business	128,212	109,181
	China Business	45,670	35,488
	Asia Pacific Business	17,560	15,096
	Americas Business	35,382	32,895
	EMEA Business	28,748	24,092
	Travel Retail Business	21,446	15,111
	Professional Business	4,930	10,869
	Other	26,912	20,651
	Subtotal	308,863	263,385
	Adjustments	(45,103)	(30,928)
	Total	263,760	232,457

(Millions of yen)

Classification		First Quarter Ended March 31, 2018	Ratio to Net Sales	First Quarter Ended March 31, 2017	Ratio to Net Sales	Year-on-Year Increase/(Decrease)	
						Amount	% Change
Operating Income (Loss)	Japan Business	31,828	24.8%	20,021	18.3%	11,807	59.0%
	China Business	14,805	32.4%	6,584	18.6%	8,220	124.8%
	Asia Pacific Business	3,230	18.4%	3,263	21.6%	(32)	(1.0)%
	Americas Business	(4,588)	(13.0)%	(4,080)	(12.4)%	(508)	—
	EMEA Business	(1,290)	(4.5)%	(3,426)	(14.2)%	2,136	—
	Travel Retail Business	5,444	25.4%	4,788	31.7%	655	13.7%
	Professional Business	96	2.0%	444	4.1%	(347)	(78.2)%
	Other	(945)	(3.5)%	(2,244)	(10.9)%	1,299	—
	Subtotal	48,581	15.7%	25,350	9.6%	23,231	91.6%
	Adjustments	(1,437)	—	(1,216)	—	(220)	—
	Total	47,144	17.9%	24,133	10.4%	23,010	95.3%

Notes:

1. Effective from the first quarter of the fiscal year ending December 31, 2018, the Group has revised its reportable segment classification method in line with its internal management structure. The fragrance business in the Asia Pacific region, which was previously included in EMEA Business, is now included in Asia Pacific Business. The travel retail fragrance business, which was previously included in EMEA Business, is now included in Travel Retail Business. ***NAVISION*** and ***2e***, which were previously included in Other, are now included in Japan Business. The classification of business results was also partially revised. As a result, part of ***NARS***, ***bareMinerals***, and ***Laura Mercier*** product distribution operations conducted by distributors in each region, which were previously included in the Americas Business, are now included in Asia Pacific Business, EMEA Business, and Travel Retail Business. The segment information for the previous period has been restated in line with the new method of classification.
2. “Other” includes head office administration departments, manufacturing operations as well as the activities of the Frontier Science business (cosmetic raw materials and medical-use drugs), the Restaurant business, etc.
3. The ratio of operating income/(loss) to net sales shows operating income as a percentage of total sales including intersegment sales, or sales including internal transfers between accounts.
4. The operating income/(loss) adjustment amount is mainly the elimination of transactions between segments.

Results by reportable segment are provided below.

[Japan Business]
In the Japan Business, brands in the mid- to high-price range continued to perform well. These brands benefitted from increased investment in marketing mainly for the three skin-related categories of skincare, base makeup, and sun care. In particular, ***ELIXIR*** wrinkle-reducing cream contributed to growth in new consumers, and those who loved that product then purchased lotions and emulsions, which led to dramatic expansion of sales. ***SHISEIDO*** also posted strong growth, driven by its core product, **ULTIMUNE**, and **PICO** makeup products aimed at the younger generation. The above growth, combined with steady progress on capturing the growing inbound demand achieved by strengthening cross-border marketing and the resulting strong growth for ***ANESSA*** and other brands, resulted in a 17.0% increase in sales in this segment year on year, to ¥118.7 billion. Operating income rose 59.0% year on year to ¥31.8 billion, boosted by more efficient marketing investment and a lower cost ratio in the three skin-related categories owing to growth in sales, in addition to the higher profit margins accompanying growth in overall sales.

[China Business]
In the China Business, the high growth in prestige brands such as ***Clé de Peau Beauté, SHISEIDO,*** and ***IPSA*** continued. The cosmetic brand ***AUPRES*** achieved robust growth, and the "made in Japan" appeal that resulted in strong sales for the ***ANESSA*** and ***ELIXIR*** brands contributed to 27.2% growth in this segment year on year on a local currency basis. When converted into Japanese yen, segment sales grew 28.7% year on year, to ¥45.6 billion. The larger margins that accompanied sales growth and more efficient marketing investment were among the factors that resulted in strong growth in operating income to ¥14.8 billion, an increase of 124.8% year on year.

[Asia Pacific Business]
In the Asia Pacific Business, continued solid performance of ***SHISEIDO***, ***Clé de Peau Beauté***, ***NARS*** and other prestige brands combined with strong growth for ***ANESSA*** and ***SENKA*** contributed to 13.2% growth in sales in this segment year on year on a local currency basis. When converted into Japanese yen, sales increased 16.1% year on year, to ¥17.1 billion. Operating income declined 1.0% year on year to ¥3.2 billion despite larger margins accompanying growth in sales. This decline resulted from increased investment in marketing.

[Americas Business]
In the Americas business, prestige brands such as ***NARS*** continued to see growth, and ***Dolce&Gabbana*** performed strongly. In contrast, sales of ***bareMinerals***, which is undergoing the closing of boutiques with low profitability and other structural reforms, underperformed the previous fiscal year. The termination of the distribution agreement concluded with Burberry last fiscal year and the impact of the sale of ***RéVive*** were also among the factors that resulted in a 1.1% year-on-year decline in sales on a local currency basis. When converted into Japanese yen, sales declined 4.8% year on year to ¥28.2 billion. If the above extraordinary factors are excluded, organic sales growth would be 4% year on year on a local currency basis. Enhanced investment in strategic marketing increased the operating loss to ¥4.6 billion, ¥0.5 billion up from the previous year.

[EMEA Business]
In the EMEA Business, strong sales of ***NARS*** and the new product of ***Dolce&Gabbana*** contributed to a 3.1% increase in sales year on year on a local currency basis. When converted into Japanese yen, sales climbed 11.7% year on year, to ¥25.1 billion. If the impact from the terminated agreement with Burberry is excluded, the organic sales growth would be 7% year on year. Larger margins accompanying the growth in sales decreased the operating loss by ¥2.1 billion, to ¥1.3 billion.

[Travel Retail Business]
In the Travel Retail Business, the benefits derived from active investment in marketing, which included further increase of advertising and promotion in airports around the world, led to continued growth in sales of ***Clé de Peau Beauté***, ***SHISEIDO***, ***NARS***, and ***ANESSA*** that far outperformed last year, mainly in Asia. This caused sales in this segment to surge 44.3% year on year on a local currency basis. When converted into Japanese yen, sales climbed 41.9% year on year, to ¥21.4 billion. If the impact from the terminated agreement with Burberry

is excluded, the organic sales growth would be 50% year on year. Larger margins accompanying growth in sales and other factors increased operating income by 13.7% over the previous year, to ¥5.4 billion.

[Professional Business]

In the Professional Business, sales in China and elsewhere in the Asia Pacific region were strong, but the impact from the sale of Zotos last fiscal year caused sales in this segment to decline 55.4% year on year on a local currency basis. When converted into Japanese yen, sales were ¥4.8 billion, a year-on-year decrease of 55.0%. If the impact of the sale of Zotos is excluded, organic sales growth would be 4% year on year on a local currency basis. Lower margins resulting from decline in sales and other factors led to a 78.2% year-on-year reduction in operating income, to ¥0.1 billion.

(2) Consolidated Forecast and Other Forward-Looking Information

There are no changes to the consolidated forecast previously announced on March 5, 2018.

2. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of December 31, 2017	As of March 31, 2018
ASSETS		
Current Assets:		
Cash and time deposits	166,698	124,936
Notes and accounts receivable	162,058	176,366
Short-term investments in securities	7,781	9,771
Inventories	129,954	130,485
Deferred tax assets	25,467	21,752
Other current assets	36,012	31,686
Less: Allowance for doubtful accounts	(1,727)	(1,799)
Total current assets	526,245	493,200
Fixed Assets:		
Property, Plant and Equipment:		
Buildings and structures	162,538	160,717
Less: Accumulated depreciation	(104,382)	(104,046)
Buildings and structures, net	58,156	56,670
Machinery, equipment and vehicles	81,175	80,522
Less: Accumulated depreciation	(63,367)	(63,021)
Machinery, equipment and vehicles, net	17,808	17,501
Tools, furniture and fixtures	81,783	79,783
Less: Accumulated depreciation	(56,520)	(56,184)
Tools, furniture and fixtures, net	25,262	23,599
Land	36,971	36,861
Leased assets	7,244	7,047
Less: Accumulated depreciation	(3,957)	(3,373)
Leased assets, net	3,286	3,673
Construction in progress	17,196	18,440
Total property, plant and equipment	158,681	156,746
Intangible Assets:		
Goodwill	12,166	13,439
Leased assets	247	207
Trademarks	121,347	115,264
Other intangible assets	34,825	35,656
Total intangible assets	168,586	164,567
Investments and Other Assets:		
Investments in securities	26,280	26,581
Long-term loans receivable	90	87
Long-term prepaid expenses	13,991	13,356
Deferred tax assets	30,658	27,587
Other investments	25,131	24,652
Less: Allowance for doubtful accounts	(241)	(229)
Total investments and other assets	95,910	92,035
Total Fixed Assets	423,179	413,349
Total Assets	949,425	906,549

(Millions of yen)

	As of December 31, 2017	As of March 31, 2018
LIABILITIES		
Current Liabilities:		
Notes and accounts payable	49,140	40,894
Electronically recorded obligations – operating	37,892	40,926
Short-term debt	8,540	8,313
Current portion of long-term debt	731	730
Lease obligations	1,391	1,400
Other payables	59,903	45,888
Accrued income taxes	25,032	11,245
Reserve for sales returns	14,012	9,545
Refund liabilities	—	4,649
Accrued bonuses for employees	25,019	16,715
Accrued bonuses for directors	119	26
Provision for liabilities and charges	2,005	1,739
Other current liabilities	67,590	57,666
Total current liabilities	291,379	239,740
Long-Term Liabilities:		
Bonds	40,000	40,000
Long-term debt	28,835	28,835
Lease obligations	1,966	1,966
Long-term payables	59,255	56,886
Liability for retirement benefits	73,745	72,739
Allowance for losses on guarantees	350	350
Allowance for environmental measures	260	129
Deferred tax liabilities	3,762	3,588
Other long-term liabilities	3,998	5,459
Total long-term liabilities	212,173	209,953
Total Liabilities	503,552	449,694
NET ASSETS		
Shareholders' Equity:		
Common stock	64,506	64,506
Capital surplus	70,808	70,804
Retained earnings	271,681	294,745
Treasury stock	(874)	(803)
Total shareholders' equity	406,121	429,253
Accumulated Other Comprehensive Income:		
Unrealized gains (losses) on available-for-sale securities	8,664	8,349
Foreign currency translation adjustments	28,726	13,855
Accumulated adjustments for retirement benefits	(20,064)	(18,549)
Total accumulated other comprehensive income	17,326	3,655
Stock Acquisition Rights	874	915
Non-Controlling Interests in Consolidated Subsidiaries	21,550	23,031
Total Net Assets	445,872	456,855
Total Liabilities and Net Assets	949,425	906,549

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

Consolidated Quarterly Statements of Income Cumulative for the First Quarter

(Millions of yen)

	First Quarter Ended March 31, 2017 (January 1, 2017 to March 31, 2017)	First Quarter Ended March 31, 2018 (January 1, 2018 to March 31, 2018)
Net Sales	232,457	263,760
Cost of Sales	54,464	54,930
Gross Profit	177,992	208,830
Selling, General and Administrative Expenses	153,859	161,685
Operating Income	24,133	47,144
Other Incomes		
Interest income	178	309
Dividend income	8	8
Equity in earnings of affiliates	38	84
Rental income	183	177
Subsidy income	4	1,147
Other	499	412
Total other income	911	2,141
Other Expenses		
Interest expense	209	210
Foreign exchange loss	348	1,281
Other interest on debt	330	355
Other	269	215
Total other expenses	1,159	2,064
Ordinary Income	23,885	47,221
Extraordinary Gains		
Gain on sales of property, plant and equipment	222	484
Gain on sales of investments in securities	160	—
Total extraordinary gains	382	484
Extraordinary Losses		
Loss on disposal of property, plant and equipment	183	104
Structural reform expenses	197	196
Voluntary product recall-related expenses	141	—
Loss of liquidation of subsidiaries and affiliates	136	—
Temporary expenses associated with reforms to human resource systems	130	—
Total extraordinary losses	789	300
Quarterly Income before Income Taxes	23,478	47,404
Income Taxes – Current	4,607	10,468
Income Tax –Deferred	3,402	5,826
Total Income Taxes	8,010	16,294
Quarterly Net Income	15,468	31,110
Quarterly Net Income Attributable to Non-Controlling Interests	1,469	2,240
Quarterly Net Income Attributable to Owners of Parent	13,999	28,870

Consolidated Quarterly Statements of Comprehensive Income
Cumulative for the First Quarter

(Millions of yen)

	First Quarter Ended March 31, 2017 (January 1, 2017 to March 31, 2017)	First Quarter Ended March 31, 2018 (January 1, 2018 to March 31, 2018)
Quarterly Net Income	15,468	31,110
Other Comprehensive Income		
Unrealized gains (losses) on available-for-sale securities	(47)	(284)
Foreign currency translation adjustments	(10,680)	(15,482)
Adjustment for retirement benefits	1,918	1,520
Share of other comprehensive income of associates accounted for under the equity method	1	5
Total other comprehensive income (loss)	(8,807)	(14,240)
Quarterly Comprehensive Income	6,660	16,869
(Breakdown)		
Quarterly comprehensive income attributable to owners of parent	5,287	15,199
Quarterly comprehensive income attributable to non-controlling interests	1,372	1,670

(3) Notes Concerning Consolidated Quarterly Financial Statements

(Note on Assumptions of a Going Concern)

Not applicable.

(Consolidated Quarterly Statements of Income)

Structural Reform Expenses

First quarter of the fiscal year ending December 31, 2018 (From January 1, 2018 to March 31, 2018)

Structural reform expenses mainly reflect early retirement premiums included in temporary expenses incurred as a result of ongoing structural reforms across all global regions.

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

Not applicable.

(Adoption of Special Accounting Treatment in Preparation of Consolidated Quarterly Financial Statements)

Not applicable.

(Changes in Accounting Policies)

Group subsidiaries that have adopted IFRS standards have implemented IFRS 15, Revenue from Contracts with Customers, from the first quarter of the consolidated fiscal period under review.

Payments to some customers were previously recognized as selling, general and administrative expenses, but will be deducted from net sales from the consolidated fiscal year under review.

The impact of these changes on the profit and loss for the first quarter of the consolidated fiscal year ending December 31, 2018 is minor.

Moreover, the method of presentation on the Consolidated Quarterly Balance Sheets from the first quarter of the consolidated fiscal year ending December 31, 2018 has changed with the application of this standard.

As a result, the reserve for sales returns will decrease by ¥4,649 million and the refund liabilities will increase by ¥4,649 million on the Consolidated Quarterly Balance Sheets for the first quarter of the consolidated fiscal year ending December 31, 2018, compared to the figures under the previous accounting standard.

Please note that the method of recognition adopted in applying this standard is to recognize the cumulative impact on the initial date of application as a transitional measure.