

SHISEIDO Co., Ltd. FY2011 **First Three Quarters
Results and Outlook**

Jan-31-2012
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.

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- I will review Shiseido's business results for the first three quarters of fiscal year 2011 and explain our outlook for the full year.

First Three Quarters Results (Ended December 2011)

(Billion yen)	Results	YoY % Change	Local Currency	YoY Amount
Net Sales	490.7	+0.8%	+3.7%	+3.7
Domestic	280.1	-2.5%	-2.4%	-7.0
Overseas	210.6	+5.4%	+12.4%	+10.8
Operating Income	26.7	+5.5%	+15.5%	+1.4
Ordinary Income	27.0	+6.0%	—	+1.5
Net Income	5.8	-35.9%	—	-3.2

•Overseas Sales Ratio 42.9% (+1.9 pp)
 •Operating Margin 5.5% (+0.3 pp)
 •Exchange Rate 1 US\$ = ¥80.7 (-10%) 1 Euro = ¥113.4 (-4%) 1 RMB = ¥12.4 (-6%)

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- Let's begin with a summary of the statement of income.
- During the nine months ended in December 2011, consolidated net sales increased 0.8% over the same period last year to 490.7 billion yen.
Domestic sales declined but overseas sales in local currencies grew by 12.4%.
I will review the details of our overseas sales later but every region saw double digit growth during the period.
- Operating income increased 5.5% compared to last year to 26.7 billion yen.
Strengthening our investment in marketing had an impact on operating income. Nonetheless, in addition to increased profits due to increased sales, the absence of a one-time increase in cost of sales arising from the acquisition of Bare Escentuals during the last fiscal year was a big positive factor as operating income increased by 1.4 billion yen.
- Ordinary income rose 6.0% over last year to 27 billion yen.
- Net income declined by 35.9% compared to last year to 5.8 billion yen.
Additional income tax-deferred of about 3 billion yen was recorded due to a revision in the tax system that required the company to reverse its deferred tax assets. Excluding the impact of this change, net income for the period was just about flat compared to last year.

Sales by Reportable Segment

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	Three Quarters of 2012/3		Three Quarters of 2011/3		YoY % Change	Local Currency
	(Billion yen)	% of Net Sales	(Billion yen)	% of Net Sales		
Domestic Cosmetics	260.3	53.1%	269.2	55.3%	-3.3%	-3.3%
Global	223.9	45.6%	210.7	43.3%	+6.3%	+13.1%
Others	6.5	1.3%	7.1	1.4%	-8.7%	-8.7%
Total	490.7	100.0%	487.0	100.0%	+0.8%	+3.7%

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- Let me now explain the details of our sales and operating income.
- Let's start with sales by reportable segment.
- Sales of the Domestic Cosmetics Business fell 3.3% compared to the same period last year. Sales of the Global Business increased 6.3% in yen and rose by 13.1% in local currencies.
- The decline in sales of the Others segment was largely due to the decision by the Frontier Sciences business to withdraw a pharmaceutical product from the market during the second half of last year, resulting in lower sales during the current period.

Domestic Cosmetics Sales

SHISEIDO

	Three Quarters of 2012/3		Three Quarters of 2011/3		YoY Amount (Billion yen)	YoY % Change
	(Billion yen)	% of Net Sales	(Billion yen)	% of Net Sales		
Counseling	133.6	27.2%	136.8	28.1%	-3.2	-2.4%
Self-Selection	57.0	11.6%	61.3	12.6%	-4.4	-7.1%
Toiletries	33.2	6.8%	32.3	6.6%	+0.9	+2.7%
Cosmetics	223.7	45.6%	230.4	47.3%	-6.7	-2.9%
Healthcare	11.0	2.3%	10.5	2.2%	+0.5	+4.8%
Others	25.6	5.2%	28.3	5.8%	-2.7	-9.5%
Domestic Cosmetics	260.3	53.1%	269.2	55.3%	-8.9	-3.3%

- Consumer confidence, which had recovered, leveled off.
- Over-the-counter sales (counseling plus self-selection) of the Company were still weak, and down from the previous year.
- Market inventory was roughly on a par with the year-ago level.

4-1

- Next, let me explain the breakdown of each segment's sales.
- In the Domestic Cosmetics Business, as stated in the government's Monthly Economic Report, consumer sentiment has changed from a recovery trend to being flat while consumer prices are continuing to decline gradually leaving the cosmetics market trapped in a state of declining year-on-year sales. Shiseido's over-the-counter sales through our department store channel outperformed both the cosmetics market as a whole and last year's sales but the positive impact of summer sales was not as big as last year so, overall, sales are struggling along with the market. Our shipments declined by 3.3% over the period. Because over-the-counter sales exceeded shipments, market inventory declined compared to the second quarter of fiscal 2011 and is about flat compared to December 2010.

Domestic Cosmetics Sales

SHISEIDO

	Three Quarters of 2012/3		Three Quarters of 2011/3		YoY Amount (Billion yen)	YoY % Change
	(Billion yen)	% of Net Sales	(Billion yen)	% of Net Sales		
Counseling	133.6	27.2%	136.8	28.1%	-3.2	-2.4%
Self-Selection	57.0	11.6%	61.3	12.6%	-4.4	-7.1%
Toiletries	33.2	6.8%	32.3	6.6%	+0.9	+2.7%
Cosmetics	223.7	45.6%	230.4	47.3%	-6.7	-2.9%
Healthcare	11.0	2.3%	10.5	2.2%	+0.5	+4.8%
Others	25.6	5.2%	28.3	5.8%	-2.7	-9.5%
Domestic Cosmetics	260.3	53.1%	269.2	55.3%	-8.9	-3.3%

- Consumer confidence, which had recovered, leveled off.
- Over-the-counter sales (counseling plus self-selection) of the Company were still weak, and down from the previous year.
- Market inventory was roughly on a par with the year-ago level.

4-2

- By category, in Counseling, Beauty Consultants were able to attract repeat customers mainly through department stores and, in addition, the global megabrand, *clé de peau BEAUTÉ*, continued to show good growth. Counseling sales in the October to December quarter were about the same as last year and were beginning to show signs of improvement. However, cumulative sales over the nine month period fell by 2.4% due to a decline in sales during the first half in reaction to the renewal of the *ELIXER* line last year.
- In the Self-Selection category, sales of *INTEGRATE* mineral foundation and mascara were firm but, there was a backlash from last year's strong sales of *ANESSA* and *Ag+* summer products with the result that total category sales were down 7.1% for the nine month period.
- In Toiletries, there was a decline in *SEA BREEZE*, which had been strong last year, but thanks to contributions from the addition of new items to the *SENKA* line and *TSUBAKI*, which has entered the 2nd Stage of its brand strategy renovation aimed at Asian women, sales for the nine month period increased by 2.7%.

Global Business Sales

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	Three Quarters of 2012/3		Three Quarters of 2011/3		YoY Amount (Billion yen)	YoY % Change	Local Currency
	(Billion yen)	% of Net Sales	(Billion yen)	% of Net Sales			
Cosmetics	193.2	39.4%	180.4	37.0%	+12.8	+7.1%	+14.1%
Professional	30.7	6.2%	30.3	6.2%	+0.4	+1.4%	+6.9%
Global Business	223.9	45.6%	210.7	43.3%	+13.2	+6.3%	+13.1%

- Cosmetics markets in Europe and the United States grew moderately overall, with each market growing to varying degrees.
- The Chinese market continued to drive growth in Asia/Oceania.
- (Fourth quarter) Sales remained strong in each area.

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- This page highlights the details of the Global Business. The cosmetics markets in the US and Europe varied in strength depending upon the specific country or region but, overall, were growing modestly during the period. Sales growth in Asia/Oceania continues to be driven by China.
- Given these conditions, total Global Business sales in local currencies grew 13.1% during the nine month period. Cosmetics sales increased by 14.1%.
- In the Professional category, in addition to strong growth in Asia, the domestic hair care product line *ADENOVITAL* was a big hit, pushing sales up by 6.9% on a local currency basis.
- Sales have continued to be firm in every region during the 4th quarter.
- In addition, Bare Escentuals showed sales growth in real terms in the low single digit during the nine month period. However, in the 4th quarter, a large marketing campaign in North America called "BE A FORCE OF BEAUTY" and the launch of a new makeup line, *READY*, is expected to raise real sales growth to the mid single digit for the full year.

Sales by Geographical Segment

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	Three Quarters of 2012/3		Three Quarters of 2011/3		YoY Amount (Billion yen)	YoY % Change	Local Currency
	(Billion yen)	% of Net Sales	(Billion yen)	% of Net Sales			
Japan	280.1	57.1%	287.1	59.0%	-7.0	-2.5%	-2.4%
Americas	66.4	13.5%	63.6	13.1%	+2.8	+4.4%	+15.2%
Europe	59.2	12.1%	55.7	11.4%	+3.4	+6.2%	+10.9%
Asia/Oceania	85.1	17.3%	80.5	16.5%	+4.6	+5.7%	+11.2%
Overseas	210.6	42.9%	199.9	41.0%	+10.8	+5.4%	+12.4%
Total	490.7	100%	487.0	100%	+3.7	+0.8%	+3.7%

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- Next, I would like to discuss sales by region.

In the Americas, in addition to the sales growth of Bare Escentuals, contributions from existing business, including the *global brand SHISEIDO* and *NARS*, pushed sales up by 15.2% in local currencies.

- In Europe, in addition to the contribution of our new brand, *Elie Saab*, to the fragrance business, sales in Switzerland and in Greece and sales of Bare Escentuals, which was consolidated into the Shiseido group last term, were strong, pushing up sales growth in the region by 10.9%.
- Sales in Asia/Oceania grew 11.2%.

In our main market, China, the *AUPRES* brand at department stores and the *PURE & MILD* brand at cosmetics specialty stores continued to drive double digit sales growth. The number of *AUPRES* sales counters exceeded 1,000 as of the end of December.

In addition, in other Asian regions, positive results in the masstige markets of Thailand and South Korea also contributed.

Cost of Sales / SG&A

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(Billion yen)

	Three Quarters of 2012/3			Three Quarters of 2011/3		YoY Increase/Decrease ±: decrease in cost	YoY % Change
		% of Net Sales	% pt Change (±: decrease)		% of Net Sales		
Cost of Sales	116.8	23.8%	+1.8%	124.6	25.6%	+7.7	-6.2%
SG&A	347.1	70.7%	-1.5%	337.1	69.2%	-10.1	+3.0%
Domestic	207.4	74.5%	-0.7%	211.4	73.8%	+4.0	-1.9%
Overseas	139.7	65.8%	-3.1%	125.6	62.7%	-14.1	+11.2%
Advertising & Selling	110.3	22.5%	-0.9%	105.1	21.6%	-5.3	+5.0%
Personnel	121.9	24.8%	-0.2%	119.9	24.6%	-2.0	+1.7%
Others	108.0	22.0%	-0.3%	105.9	21.7%	-2.1	+2.0%
M&A-Related Amortization Cost	6.9	1.4%	-0.1%	6.2	1.3%	-0.7	+11.7%

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- Now we will compare cost of sales and SG&A with last year.
- The cost of sales ratio was 23.8%, 1.8 points lower than last year. This is due to last year's consolidation of Bare Escentuals which resulted in a one-time increase in cost of sales when the company's inventory was marked to market. In addition, a successful effort to reduce returns in the domestic market also contributed to the improvement in cost of sales.
- The SG&A ratio increased 1.5 points to 70.7%.
- Looking at the details, the aggressive investment in marketing costs in overseas markets, centered on China, increased SG&A by 0.9 points or 5.3 billion yen.
- Personnel costs fell in Japan due to lower bonus payments but because of the planned increase in employees overseas, total personnel costs rose by 0.2 points.
- Others increased by 0.3 points. In Japan, distribution expenses fell as the company improved the efficiency of the delivery of promotional materials but, in overseas operation, agent service fees paid to business partners increased.
- M&A-related amortization expenses increased due to differences in the amortization periods of goodwill and sales rights associated with the acquisition of Bare Escentuals.

Operating Income by Reportable Segment

SHISEIDO

(Billion yen)

		Three Quarters of 2012/3	Three Quarters of 2011/3	YoY Amount	YoY % Change
Domestic Cosmetics	Operating Income	24.4	25.3	-0.9	-3.4%
	OP Margin	9.3%	9.4%	-0.0 pp	
Global Business	Operating Income	1.3	-1.3	+2.6	—
	OP Margin	0.6%	-0.6%	+1.2 pp	
Others	Operating Income	1.0	1.3	-0.3	-23.2%
	OP Margin	10.1%	11.3%	-1.2 pp	
Elimination/Corporate	Operating Income	0.0	0.0	-0.0	—
Total	Operating Income	26.7	25.4	+1.4	+5.5%
	OP Margin	5.5%	5.2%	+0.3 pp	

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- Next I will discuss operating income by reportable segment.
- Operating income of the Domestic Cosmetics Business fell by 3.4% but the operating income margin remained 9.3%, around last year's level.
- Operating income in the Global Business increased by 2.6 billion yen over the same period last year. The one-time increase in cost of sales resulting from the consolidation of Bare Escentuals last year has disappeared but aggressive investment in marketing, particularly in China, left operating income at only 1.3 billion yen. The operating income margin improved by 1.2 points.

Operating Income by Geographic Segment (Reference Information)

SHISEIDO

(Billion yen)

		Three Quarters of 2012/3	Three Quarters of 2011/3	YoY Amount	YoY % Change
Japan	Operating Income	12.1	12.3	-0.1	-1.1%
	OP Margin	4.0%	4.0%	+0.0 pp	
Americas	Operating Income	4.7	-1.2	+5.9	—
	OP Margin	6.5%	-1.7%	+8.2 pp	
Europe	Operating Income	4.4	5.4	-1.0	-18.5%
	OP Margin	6.5%	8.4%	-1.9 pp	
Asia/Oceania	Operating Income	4.6	6.9	-2.3	-33.4%
	OP Margin	5.6%	9.0%	-3.4 pp	
Overseas	Operating Income	13.6	11.0	+2.6	+23.3%
	OP Margin	6.1%	5.2%	+0.9 pp	
Elimination/Corporate	Operating Income	1.0	2.0	-1.1	—
Total	Operating Income	26.7	25.4	+1.4	+5.5%
	OP Margin	5.5%	5.2%	+0.3 pp	

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- Here is the operating income for Shiseido and its group subsidiaries by geographic area, disclosed as reference information.
Japan was about the same as last year with operating income of 12.1 billion yen and an operating income margin of 4.0%.
- Total overseas operating income increased 23.3%.
Increased investment in marketing in Europe, and in Asia/Oceania reduced operating margins in those regions but operating margins improved in the Americas as last year's one-time increase in cost of sales related to the consolidation of Bare Escentuals disappeared, contributing to a 0.9 point improvement in the total overseas operating income margin.

Consolidated Balance Sheets

SHISEIDO

(Billion yen)

	2011/12	Change from 2011/3	Excluding Foreign Currency Exchange	Foreign Currency Exchange		2011/12	Change from 2011/3	Excluding Foreign Currency Exchange	Foreign Currency Exchange
Total Current Assets	290.6	-22.7	-15.2	-7.5	Total Liabilities	398.9	-20.1	-15.2	-4.9
Cash Deposits and Securities	84.0	-21.0	-18.9	-2.1	Notes & Accounts Payable	44.0	+0.2	+0.9	-0.6
Notes & Accounts Receivable	93.3	-9.7	-7.4	-2.3	Accounts Payable-Other	35.7	-2.3	-2.1	-0.2
Inventories	75.7	+9.8	+12.0	-2.2	Interest-Bearing Debt	193.9	-3.6	-3.3	-0.3
Fixed Assets	399.9	-26.0	-14.1	-11.9	Total Net Assets	291.6	-28.6	-14.1	-14.5
Property Plant and Equipment	128.1	-3.2	-1.2	-2.0	Shareholders' Equity	348.1	-14.1	-	-
Intangible Assets	171.2	-14.8	-5.3	-9.5	Other Comprehensive Income	-69.5	-14.6	-	-
Investments and Other Assets	100.6	-8.0	-7.6	-0.4	Minority Interests	12.3	+0.0	-	-
Total Assets	690.4	-48.7	-29.2	-19.4	Total Liabilities and Net Assets	690.4	-48.7	-29.2	-19.4

Exchange Rates (end of December 2011): US\$1: ¥76.6 €1: ¥104.0 1 RMB: ¥12.0
(end of March 2011): US\$1: ¥81.4 €1: ¥107.8 1 RMB: ¥12.3

(Note) The table includes only major accounts.
Equity ratio: 40.4%

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- Next, let's examine the balance sheet.
- Total assets at the end of the nine month period stood at 690.4 billion yen, a decrease of 48.7 billion yen from the end of the last fiscal year in March 2011. As you can see, the yen has strengthened when compared to the end of the last fiscal year, resulting in a 19.4 billion yen decline in total assets.
- Looking at the changes in total assets excluding the impact of foreign exchange, cash, deposits and securities fell due to dividend payments and the timing of domestic bonus payments while accounts receivable declined because of the difference in the period for posting sales.
- The Equity Ratio stood at 40.4%, a 1.2 point decline from the end of the previous fiscal year in March 2011.

Outlook for FY2011

SHISEIDO

(Billion yen)	Forecast	YoY % Change	Local Currency	Change from October 31
Net Sales	680.0	+1.4%	+4%	±0.0
Domestic	380.0	-0.7%	-	-1.0
Overseas	300.0	+4.2%	+11%	+1.0
Operating Income	40.0	-10.0%	-	±0.0
Ordinary Income	40.0	-10.1%	-	±0.0
Net Income	17.0	+32.9%	-	-4.0

•Overseas Sales Ratio 44.1% (+1.2 pp)
•Operating Margin 5.9% (-0.7 pp)
•Exchange Rate 1 US\$ = ¥79.8 1 Euro = ¥111.1 1 RMB = ¥12.4
•Dividend The annual dividend is expected to be ¥50 per share as initially planned.

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- Now, regarding our full-year forecast for March 2012, there is no change in the total sales figure announced on October 31st. However, we have adjusted our domestic sales downward by 1.0 billion yen to 380.0 billion yen and we have adjusted our overseas sales upward by 1.0 billion yen to 300.0 billion yen.
- Regarding net income, a negative impact of 4 billion yen arising from the reversal of our deferred tax assets required under a revision of the tax system, has been factored into our net income forecast of 17 billion yen.
- As for dividends, since we expect to meet our anticipated operating income plan and changes in net income is due to a tax effect and will not impact our cash position, we will pay a 25 yen term-end dividend as planned, for an annual dividend of 50 yen.

Future Initiatives SHISEIDO

Japan (Fourth Quarter): Enhancing Existing Activities

Manufacturing

Applying technology that received the highest award from IFSCC (International Federation of Societies of Cosmetic Chemists) in 2010
Development of a two-phase separation mechanism
(Achieving both luster and moisture, as well as durability)



MAQuillAGE True Rouge

Proposals, Communication

Warming in Winter



TSUBAKI 2nd Stage

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- Next, I will describe the Company's initiatives going forward in the domestic market and in overseas markets. Let me begin with the domestic market.
- As we have already explained earlier this year, the number of new product launches has been cut in half and we have taken both the time and the manpower that has created and used it to "enhance value" on the manufacturing side and to "enhance activity" on the marketing, sales, and Beauty Consultant side.
- During the October to December quarter, over-the-counter *Maquillage* sales turned positive as our initiatives so far have begun to show results. During the 4th quarter, we have high hopes for the launch of True Rouge on January 21st.
- This product is based upon the Top Award won by Shiseido at the IFSCC (International Federation of Societies of Cosmetic Chemists) Congress in 2010 for "two-phase separation of oil technology" which was improved by using a new formula. With a single lipstick, one can achieve the "juicy look and moisturizing" effect of gloss and the "colorizing" impact of lipstick, long believed to be difficult to accomplish.
- Furthermore, in newspaper advertisements run on January 21st, the product launch date, "True Rouge" was tied to Shiseido's long, 140 year history as a product that ties together "Our Passion and Technology." Going forward, we will use the same message in our over-the-counter sales and elsewhere. Beginning with *Maquillage*, we are aiming for the revival of the mid-price market.

Future Initiatives SHISEIDO

Japan (Fourth Quarter): Enhancing Existing Activities

Manufacturing

Applying technology that received the highest award from IFSCC (International Federation of Societies of Cosmetic Chemists) in 2010
Development of a two-phase separation mechanism
(Achieving both luster and moisture, as well as durability)



MAQuillAGE True Rouge

Proposals, Communication

Warming in Winter



TSUBAKI 2nd Stage

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- In enhancing our activities, following on from "Summer Proposals" and Fall "Healing," the theme of making skin resilient to the intense cold and dryness of winter is the driving force behind "Winter Warming Proposals."
Using hand massage as a hook to promote touching the skin, sales of our core cream products, such as La crème of *clé de peau BEAUTÉ*, and *Avène* Deep Moist cream have exceeded last year's levels and are on the way to becoming long-selling products.
- Meanwhile, in December, we launched a new campaign for the *TSUBAKI* line targeting Asian women, using six models to drive the "You're Beautiful!" message.
Even though there were no new product launches, retail sales in December exceeded last year's figure, a superb result.
In order to always have desirable brands, we will enhance our marketing.

Future Initiatives SHISEIDO

Japan (Fourth Quarter):
Preparations for the Start of a New Cosmetic Sales Store Business Model

Beauty & Co.
Making every day of my life beautiful
 A website to be created through collaboration among companies and professionals engaging in health and beauty care
 The website will be launched in April 2012 with 20 companies. Fifty or more companies are set to participate by the end of FY2012.

Shiseido website × Existing stores
 Proposing the most suitable beauty to customers

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- Next I would like to discuss preparations for our New Cosmetics Sales Store Business Model.
 - We have already explained the diagram of the three-floor store shown above at a previous business results meeting so I will leave out the details but with respect to the first floor “Beauty Platform,” last month we announced that we will launch “Beauty and Co.,” a collaboration among beauty and health companies and specialists in April.
- In addition to the 13 companies that had agreed to participate at the time of the announcement, more companies have agreed to join in. Operations will begin in April with 20 companies taking part. We are aiming at having more than 50 companies participating in Beauty and Co. by the end of FY2012.

Future Initiatives SHISEIDO

Overseas: Expansion of Prestige and Masstige Markets

Prestige market
 Elie Saab ISSEY MIYAKE
 Clé de Peau Beauté SHISEIDO AUPRES
 Bare Mineral

Masstige market
 DECLEOR CARITA
 Za To Asia (especially China) SENKA NARS

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- Next, I would like to discuss our initiatives overseas.
- In Europe, even though the risks to the economy arising from concern over the financial crisis have become obvious, we have not changed our plans for growth in overseas markets.
- In prestige markets that continued to expand favorably in 2011, we will pursue solid growth in global mega brands such as *clé de peau BEAUTÉ*, *global brand SHISEIDO* and *Bare Mineral*, as well as European fragrances, high-end salon brands, and the American designer’s makeup brand *NARS*.
- In particular, in our growth engine, China, we are strengthening our exclusive Chinese brands *AUPRES* and *URARA*.
- Moreover, in the Asian masstige markets aimed at the expanding middle class, in addition to the skin care and makeup brand, *Za*, whose growth significantly exceeds 10% annually, we will strengthen the *TSUBAKI* brand in the hair care category.

Enhancing development in North America



In addition to the launch of skin care products in April 2011, we launched a major campaign and a new pressed makeup line, *READY*, in September 2011, with the aim of achieving additional development.

Bolstering skincare products especially in Asia



Introduce skincare products dedicated to the Asian market in Japan (11 department stores and QVC) in March 2012

Expanding the number of countries where products are sold



Use a Shiseido sales subsidiary

Start to sell in May 2012
Aim to sell at 100 or more stores in 2017



- Next, I would like to discuss Bare Escentuals.
- In addition to enhancing the development in its main target, North America, Bare Escentuals, through its synergy with Shiseido, is making effective use of Shiseido's technical strength to bolster its position in the skin care category. It is also taking steps to expand countries and regions where it operates by making use of Shiseido's sales infrastructure and know-how in each country.
- To begin with, in North America, in addition to the launch of skin care products in April of last year, in September we started a big campaign and our new pressed makeup line, *READY*, with the aim of achieving even more growth. The campaign theme is "Be a Force of Beauty" and utilizes the catchphrase, "Pretty is what you are, but beauty is what you do with it." The campaign builds the story of several ordinary people; their lifestyle and their way of thinking and uses every type of media, including social networking, to develop the story line. This new challenge by a cosmetics company was featured in The New York Times.
- In the skin care market, the company will introduce a specialized skin care product for Asia to the Japanese market in March and expand into other countries later on.
- Expanding into overseas markets, sales will start in Brazil, one of the BRIC countries, in May. Brazil is the third largest cosmetics market in the world and we expect strong growth over the medium to long term so we want to make careful preparations for future growth.
- Finally, fiscal 2011 for our overseas companies ended in December and, excluding the impact of foreign exchange, we forecast that results will have exceeded our original plan. In order to achieve our aim of moving to a growth trajectory in phase 2 of our globalization plan, we must reliably execute our 3-year business plan.