SHISEIDO

(Translation)

[COVER]

Number of the Supplement to the Shelf Registration Statement:	22- Kanto 63-1
Document to be filed:	Supplement to the Shelf Registration Statement
Filed with:	Director of Kanto Finance Bureau
Date of filing:	June 16, 2010
Name of Issuer:	Shiseido Company, Limited
Name and title of Representative:	Shinzo Maeda President & CEO (Representative Director)
Place at which the head office is located:	5-5, Ginza 7-chome, Chuo-ku, Tokyo, Japan
Telephone number:	03 (3572) 5111
Administrative person to contact:	Akira Mochizuki Deputy General Manager, Financial Department
Nearest contact address:	6-2, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo, Japan
Telephone number:	03 (6218) 5490
Administrative person to contact:	Akira Mochizuki Deputy General Manager, Financial Department
Type of securities to be offered for subscription subject to Shelf Registration:	Bonds
Amount of the issue offered for subscription:	40,000 million yen

Content of the Shelf Registration Statement:

Date of filing	April 15, 2010
Effective date	April 23, 2010
Expiry date	April 22, 2012
Shelf registration number	22- Kanto 63
Scheduled aggregate amount of the issue or upper limit on the aggregate outstanding amount of the issue (yen)	120,000 million yen

Actual result of the offering to date:

No.	Date of filing	Offering amount (yen)	Date of amendment due to reduction in amount	Amount of reduction (yen)
-	-	-	-	-
Total amount of the actual result (yen)		None (None)	Total amount of reduction (yen)	None

(Note) The total amount of the actual result is calculated based on the total of the aggregate amount of the printed bonds or the aggregate amount of the book-entry bonds (the amount in the lower parentheses represents the total of the aggregate issue prices).

Aggregate outstanding amount of the issue (scheduled aggregate amount of the issue – total amount of the actual result – total amount of reduction):	120,000 million yen (120,000 million yen) Note: Aggregate outstanding amount of the issue is calculated based on the total of the aggregate amount of the printed bonds or the aggregate amount of the book-entry bonds (the amount in the lower parentheses represents the total of the aggregate issue prices).
Matters regarding stabilizing transactions:	Not applicable
Place for public inspection:	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

SHISEIDO

PART I. INFORMATION PERTAINING TO SECURITIES

I. Terms and Conditions of the Offering of the Bonds for Subscription:

1. Newly Issued Bonds (Excluding Short-Term Bonds):

Description of the Bonds	Shiseido Company, Limited 6th Unsecured Bonds (ranking pari passu solely with other bonds)
Form (registered/bearer) of the Bonds	-
Aggregate amount of the printed bonds or aggregate amount of book-entry bonds (yen)	¥40,000,000,000
Face value of each Bond (yen)	¥100,000,000
Aggregate issue prices (yen)	¥40,000,000,000
Issue price (yen)	¥100 per ¥100 in face value of each Bond
Interest rate (%)	0.547% per annum
Interest payment date	June 22 and December 22 of each year
Method of payment of interest	1. Method and due date of payment of interest: (1) The Bonds shall bear interest for the period from the day immediately following the payment date to and including the day on which the Bonds shall be redeemed (the "Redemption Date"), payable in arrears in respect of the period up to and including December 22 of 2010, being the first interest payment date, and thereafter payable in arrears in respect of the period of every half year up to and including June 22 and December 22 of each year on each of such dates. (2) If any interest payment date falls on a banking holiday, such payment shall be made on the first preceding date that is a banking business day. (3) If interest is paid in respect of any period falling short of a half year, such interest shall be calculated on a daily pro rata basis for such half year. (4) The Bonds shall cease to bear interest after the Redemption Date. 2. Place of payment of interest: As described in "Note 8 (Payment of principal and interest)" below
Maturity	June 22, 2015
Method of redemption	1. Redemption amount: ¥100 per ¥100 in face value of each Bond 2. Method and due date of redemption: (1) The principal of the Bonds shall be redeemed in full on June 22, 2015. (2) If the day on which the Bonds shall be redeemed falls on a banking holiday, such redemption shall be made on the first preceding date that is a banking business day.
	(3) The Bonds may be purchased for cancellation at any time on or after the day immediately following the payment

	date unless otherwise specified by the depository listed in the section of "Depository" below. 3. Place of payment of the principal upon redemption: As described in "Note 8 (Payment of principal and interest)" below
Method of offering for subscription	Public offering
Application money (yen)	¥100 per ¥100 in face value of each Bond, which shall be applied to the payment amount as of the payment date. Any application money shall bear no interest.
Application period	June 16, 2010
Place of application	Head offices and branch offices in Japan of the underwriting brokers of financial instruments and products listed below
Payment date	June 22, 2010
Depository	Japan Securities Depository Center, Inc. 1-1, Nihombashi Kayabacho 2-chome, Chuo-ku, Tokyo, Japan
Security	No security or guarantee is created for the Bonds or no specific asset is reserved for the Bonds.
Financial covenants (negative pledge)	1. In the event that after the issuance of the Bonds, the Company creates any security for other unsecured bonds issued or to be issued in Japan (excluding unsecured bonds with a clause of security replacement defined in the section of "Financial covenants (others)" below) (such event shall include the creation of security on the assets of the Company, a promise to create security on any specific asset of the Company and an agreement not to offer any specific asset of the Company as security on obligations other than the specific obligations of the Company), the Company shall also create a security, ranking pari passu therewith, for the Bonds in accordance with the Secured Bonds Trust Act of Japan, as long as any of the Bonds remains outstanding. 2. In the event that the Company creates any security for the Bonds as set forth in paragraph 1 above, the Company shall promptly complete registration and other required procedures and give public notice to that effect in accordance with the provision of Article 41, paragraph 4 of the Secured Bonds Trust Act of Japan.
Financial covenants (others):	Any other financial covenant, including a clause of security replacement, is not added to the Bonds. A clause of security replacement means a covenant that any security shall be created to release a covenant under which debt shall become due and payable when any of the specified events occurs in the financial indicators of the Company, such as a net asset maintenance clause, or a covenant that the Company may create any security whenever it desires to do so.

Ratings:	1. Rating given: A1 2. Name of the designated rating agency:

	Moody's Investors Service Inc. 3. Date of rating given: June 16, 2010 No condition was attached when such rating was given.
	1. Rating given: A 2. Name of the designated rating agency: Standard & Poor's Ratings Services 3. Date of rating given: June 16, 2010 No condition was attached when such rating was given.

(Notes)

1. Application of the provisions of the Act on Book-Entry Transfers of Company Bonds, Shares, etc. of Japan:

   The Bonds are attached with a provision that the same shall all be governed by the provisions of the "Act on Book-Entry Transfers of Company Bonds, Shares, etc." of Japan (the "Bonds Transfer Law") pursuant to the provision of Article 66, item 2 of the Bonds Transfer Law. Except as provided for in Article 67, paragraph 2 of the Bonds Transfer Law, no certificates shall be issued in respect of the Bonds.

2. No commissioned company for bondholders appointed:

   Pursuant to the proviso to Article 702 of the Corporation Law of Japan, no commissioned company for bondholders is appointed in respect of the Bonds.

3. Fiscal, issuing and paying agent:

   Mizuho Bank, Ltd.

4. Covenants on acceleration:

   The Bonds shall become immediately due and payable if any of the following events occurs and the Company shall give public notice to that effect to the holders of the Bonds without delay in accordance with the method described in Note 5 below:

   (1) The Company contravenes the provision of paragraph 1 of the section of "Method of payment of interest" above or paragraph 2 of the section of "Method of redemption" above;

   (2) The Company contravenes the provision of paragraph 1 of the section of "Financial covenants (negative pledge)" above;

   (3) Any bonds other than the Bonds become prematurely repayable or the Company defaults in the redemption of such bonds when due and repayable;

   (4) Any debts payable other than bonds become prematurely repayable or the Company defaults in the performance of its guarantee obligations undertaken for bonds or other debts payable other than those of its own when due and repayable, unless the aggregate amount of such debts and obligations (translated into the yen) does not exceed ¥1 billion;

   (5) The Company files a petition for the commencement of proceedings for

bankruptcy, civil rehabilitation or corporate reorganization of the Company or its Board of Directors adopts a resolution to submit a proposition for its winding-up or dissolution (other than through a merger or amalgamation) to a general meeting of shareholders or a liquidator of the Company files a petition for the commencement of proceedings of special liquidation; or

(6) A decree is declared to commence proceedings for bankruptcy, civil rehabilitation or corporate reorganization of the Company or an order is issued to commence special liquidation of the Company, or the Company carries out its winding-up or dissolution.

5. Method of public notices if given to the Bondholders:

In the event that a public notice is to be given to the Bondholders in respect of the Bonds, it shall, unless otherwise provided for in laws or ordinances, be given by the method of electronic notification as provided for in the Articles of Incorporation of the Company; provided, however, that in the event that the Company cannot give a public notice by the method of electronic notification due to any accident or any other unavoidable cause, such public notice shall be given by insertion in the newspaper specified in its Articles of Incorporation and at least one newspaper circulated in Tokyo and Osaka City, respectively (if two such newspapers are the same, notices in any other newspaper may be omitted).

6. Publication of the terms and conditions of the Bonds:

The Company shall keep on file the copies of the terms and conditions of the Bonds at its head office to make them available for public inspection during its business hours.

7. Matters concerning meetings of the Bondholders:

(1) Meetings of the Bondholders in respect of the Bonds and the bonds in the same classes (as provided for in the Corporation Law of Japan) with the Bonds (collectively, "Class Bonds") shall be convened by the Company and public notice for convening each such meeting of the Bondholders shall be given in the method described in Note 5 above, stating the convocation thereof and the matters listed in the items of Article 719 of the Corporation Law of Japan, at least three weeks prior to the date of the meeting.

(2) Any meeting of the Bondholders in respect of the Class Bonds shall be held in Tokyo.

(3) The Bondholders holding not less than one-tenth of the aggregate principal amount of the Class Bonds (excluding any amount thereof redeemed, as well as the aggregate amount thereof held by the Company) may request the Company to convene a meeting of the Bondholders in respect of the Class Bonds, upon presenting a document concerning the Class Bonds as provided for in Article 86, paragraph 3 of the Bonds Transfer Law and depositing a document stating the matters forming the agenda items thereof and the reasons for the convocation thereof.

8. Payment of principal and interest:

The principal of and interest on the Bonds shall be paid pursuant to the Bonds Transfer Law, as well as the operating rules and other rules of the depository listed in the section of "Depository" above.

2. Underwriting of Bonds and Commission of Management of Bonds:

Underwriting of the Bonds:

<table>
<tr><th>Underwriter's name</th><th>Address</th><th>Underwritten amount (¥ million)</th><th>Conditions of underwriting</th></tr>
<tr><td>Daiwa Securities Capital Markets Co., Ltd.</td><td>9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan</td><td>16,000</td><td rowspan="7">1. The underwriters shall jointly underwrite and purchase the entire amount of the Bonds.
2. The total underwriting fees of the Bonds shall be ¥100 million.</td></tr>
<tr><td>Nomura Securities Co., Ltd.</td><td>9-1, Nihombashi 1-chome, Chuo-ku, Tokyo, Japan</td><td>10,000</td></tr>
<tr><td>Mizuho Securities Co., Ltd.</td><td>5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan</td><td>6,100</td></tr>
<tr><td>Mizuho Investors Securities Co., Ltd.</td><td>10-30, Nihombashi Kakigaracho 2-chome, Chuo-ku, Tokyo, Japan</td><td>2,700</td></tr>
<tr><td>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</td><td>5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan</td><td>2,000</td></tr>
<tr><td>Merrill Lynch Japan Securities Co., Ltd.</td><td>4-1, Nihombashi 1-chome, Chuo-ku, Tokyo, Japan</td><td>2,000</td></tr>
<tr><td>Nikko Cordial Securities Inc.</td><td>3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan</td><td>1,200</td></tr>
<tr><td>Total</td><td>-</td><td>40,000</td><td>-</td></tr>
</table>

Commission of management of the Bonds:

Not applicable

3. Use of Proceeds from the New Issue:

Amount of proceeds from the new issue:

Aggregate payment amount (¥ million)	Approximate amount of issue costs and expenses (¥ million)	Approximate amount of net proceeds (¥ million)
40,000	120	39,880

(1) Use of proceeds:

The above-listed approximate amount of net proceeds, which accounts for ¥39,880 million, will be appropriated for funds for loan in June 2010.

II. Terms and Conditions of Offering of Bonds for Sale:

Not applicable

III. Other Matters to be Described:

Not applicable

SHISEIDO

PART II. INFORMATION RELATING TO TENDER OFFER

I. Outline of Tender Offer:

Not applicable

II. Consolidated Financial Information:

Not applicable

III. Important Contract between Issuer (or its Related Party) and Target

Not applicable

PART III. REFERENCE INFORMATION

I. Reference Documents:

With regard to the outline of the company, outline of business and other matters listed in Article 5, paragraph 1, item 2 of the Financial Instruments and Exchange Law of Japan, please refer to the following documents:

1. Annual Securities Report and its Accompanying Documents:

   Filed with the Director of the Kanto Finance Bureau on June 24, 2009 for the 109th fiscal year (from April 1, 2008 to March 31, 2009)

2. Quarterly Report or Semiannual Report:

   Filed with the Director of the Kanto Finance Bureau on August 7, 2009 for the first quarter of the 110th fiscal year (from April 1, 2009 to June 30, 2009)

3. Quarterly Report or Semiannual Report:

   Filed with the Director of the Kanto Finance Bureau on November 13, 2009 for the second quarter of the 110th fiscal year (from July 1, 2009 to September 30, 2009)

4. Quarterly Report or Semiannual Report:

   Filed with the Director of the Kanto Finance Bureau on February 12, 2010 for the third quarter of the 110th fiscal year (from October 1, 2009 through December 31, 2009)

5. Extraordinary Report:

   For the period from the filing of the Annual Securities Report listed in paragraph 1 above to the date of the filing of this Supplement to the Shelf Registration Statement (June 16, 2010), an Extraordinary Report was filed with the Director of the Kanto Finance Bureau as provided for in under the provisions of Article 24-5, paragraph 4 of the Financial Instruments and Exchange Law of Japan and Article 19, paragraph 2, item 2-2 of the Ordinance of the Cabinet Office Concerning Disclosure of Corporate Information, etc. on

July 30, 2009.

6. Extraordinary Report:

For the period from the filing of the Annual Securities Report listed in paragraph 1 above to the date of the filing of this Supplement to the Shelf Registration Statement (June 16, 2010), an Extraordinary Report was filed with the Director of the Kanto Finance Bureau as provided for in Article 24-5, paragraph 4 of the Financial Instruments and Exchange Law of Japan and Article 19, paragraph 2, item 2-2 of the Ordinance of the Cabinet Office Concerning Disclosure of Corporate Information, etc. on July 30, 2009.

7. Extraordinary Report:

For the period from the filing of the Annual Securities Report listed in paragraph 1 above to the date of the filing of this Supplement to the Shelf Registration Statement (June 16, 2010), an Extraordinary Report was filed with the Director of the Kanto Finance Bureau as provide for in Article 24-5, paragraph 4 of the Financial Instruments and Exchange Law of Japan and Article 19, paragraph 2, item 2-2 of the Ordinance of he Cabinet Office Concerning Disclosure of Corporate Information, etc. on April 9, 2010.

8. Amendment Report:

An Amendment Report (Amendment to the Extraordinary Report listed in paragraph 5 above) was filed with the Director of the Kanto Finance Bureau on August 31, 2009.

9. Amendment Report:

An Amendment Report (Amendment to the Extraordinary Report listed in paragraph 6 above) was filed with the Director of the Kanto Finance Bureau on August 31, 2009.

II. Supplemental Information to Reference Documents:

With regard to the "business and other risks" described in the Annual Securities Report and the Quarterly Reports (hereinafter referred to as the "Securities Reports, Etc."), listed above as reference documents, following additional factor occurred for the period from each date of the filing of the Securities Reports, Etc. to the date of the filing of this Supplement to the Shelf Registration Statement (June 16, 2010). Additional parts are in italics.

In the Securities Reports, Etc. matters about the future are stated. Company has changed its judgment on such matters as follows as of the date of the filing of this Supplement to the Shelf Registration Statement (June 16, 2010). The matters about the future involve risks, uncertainties and other factors, which may cause our actual results and achievements to differ from the forecasts stated in the Securities Reports, Etc.

1. Business and Other Risks

(omitted)

1.3 Strategic Investment Activities

When making decisions about investments in strategic markets, such as China and Russia, and strategic investments in mergers and acquisitions, new businesses and new markets, Shiseido endeavors to collect sufficient information and undertake due diligence prior to making rational judgments. Due to various unforeseeable factors that may cause the operating environment to deteriorate, however, we may not achieve the results originally anticipated. This could negatively affect Shiseido's business performance and financial position.

On March 8, 2010, the Company completed a tender offer through acquisition subsidiary Blush Acquisition Corporation (BAC) to acquire all outstanding shares of common stock of Bare Escentuals, Inc. (Bare Escentuals) with cash, and made Bare Escentuals a subsidiary of the Company. Following the acquisition, on March 12, 2010, BAC implemented a short-form merger under Delaware law with Bare Escentuals, which is the surviving company.

Reason for this business combination is to attain new brand value; achieve a significantly complementary position in distribution, sales and R&D capabilities; and strengthen the business foundation in North America.

The purchase price for the acquired company included approximately US$1.74 billion, comprising cash paid to acquire tendered shares and the cost of purchasing the stock options of Bare Escentuals employees. The purchase price included contingent consideration that is being measured at fair value under U.S. accounting standards.

The Shiseido Group will make additional payments to the former management of the acquired company using a contractually specified formula if EBITDA exceeds specified benchmarks over the three years beginning the year ending March 31, 2012. The Shiseido Group plans to recognize the variable portion of the contingent consideration above using U.S. accounting standards.

As of March 31, 2010, purchase price allocation was not complete because the specification and measurement of the fair value of identifiable assets and liabilities included in the assets acquired and liabilities assumed through the acquisition of and business combination with Bare Escentuals was not complete. A provisional accounting treatment was applied and the investment of U.S.$1.74 billion in this subsidiary was included in investments in securities on the consolidated balance sheets. The income and expenses of Bare Escentuals are not included in the consolidated statements of income.

(omitted)

2. Issues to Address

(omitted)

2.3 Strategies for year ahead

Due to the global economic recession that began in the latter half of 2008, market conditions in Japan remain uncertain, but we are beginning to see positive signs overseas. We have positioned the year ending March 2011, the final year of the plan, as a "polishing off" year during which we will solidify our foundation for the next three-year plan aimed at getting the Group onto a growth trajectory. During the year, we will strive to establish an overwhelming presence in Asia, reflecting our focus on building a foundation
for globalizing our operations.

"Create a brand loved by customers throughout the world"

(1) Demonstrating our "Japanese origins"

In the fiscal period ending March 2011, we will continue our core focus on fostering our "relationship building brands/lines" and "mega lines," in order to create hit products that attract and retain loyal followers and produce long-selling items. At the same time, we will prepare to address structural changes in the market, highlighted by ongoing polarization.

Reflecting the purchasing patterns of customers, we have assorted our channels and brands into three categories—high-value-added counseling, spot counseling, and self-selection—and we will relentlessly pursue the most effective sales techniques for each category. Meanwhile, we will increase the number of cosmetics specialty stores targeted by our PS Program, implement a "double counter" strategy at department stores, and strengthen the responsiveness of beauty consultants at general merchandising stores. For drugstores, we will adopt a focused response to major drugstore chains. To further reinforce these initiatives, we have reassessed our channel-specific sales system, and in April 2010 we reorganized the system to facilitate market adaptation from both area and affiliation perspectives.

Area	Channels and Brands
High-value-added counseling (Target customers: Value-conscious people who desire optimal products for their own needs; Sales technique: Deploy human resources to convey value)	Channels: Cosmetics specialty stores, department stores, general merchandising stores Brands: High-priced counseling products centered on relationship building brands/lines
Spot counseling (Target customers: People who are highly conscious of trends in cosmetics; Sales technique: Mass advertising and one-point advice)	Channels: Drugstores Brands: Mid-priced counseling products centered on mega brands (***Maquillage***, ***Elixir***)
Self-selection (Target customers: Price-conscious people who select their own products; Sales technique: Information transmission at store)	Channels: Drugstores, self-selection sections of general merchandising stores Brands: Low-priced self-selection items and toiletries (***Aqua Label, Integrate, TSUBAKI, Uno***)

(2) Representing Asia

Seeking to build a sustainable growth foundation in Asia, we will target steady sales growth in the prestige market. In the expanding masstige market, meanwhile, we will reinforce our sales base for existing brands, such as Za and Majolica Majorca. In Japan, we will prepare for a full-scale rollout tailored to the low-priced market segment. Consistent with these initiatives, in April 2010 we commenced operation of a new plant in Vietnam, to serve as an important production and shipment base supporting our masstige strategy in Asia.

In China, which we regard as a growth engine for our business, we will target continued strong growth. In Chinese department stores, we will reinforce the in-store responsiveness of beauty consultants. We will also seek to expand sales of the global brand SHISEIDO and the dedicated China brand AUPRES, centering on high-end department stores. For cosmetics specialty stores, we will improve our responsiveness by utilizing customer data collected via Urara, a dedicated brand for Chinese cosmetic specialty stores. In March 2010, meanwhile, we began entered the drugstore channel with the launch of the DQ skincare brand. This represents our third sales channel in China after department stores and cosmetics specialty stores. Also in the same month, we entered the professional market, targeting high-end beauty salons in Beijing and Shanghai. Going forward, we will strive for market proliferation of our professional brands for hair salons: SHISEIDO Professional and JOICO.

(3) Becoming a global player

We will seek to become a "global multi-brand company" that promotes multiple large-scale brands, centering on the global brand SHISEIDO.

With respect to the global brand SHISEIDO, we will expand the number of stores incorporating our new global counter. Following the launch of a premium skincare line, called SHISEIDO Future Solution LX, in March 2010, we will also strengthen our lineup of skin-lightening and anti-aging products.

Meanwhile, we will target further progress of our "City Concept" strategy in Europe and North America. We will also focus on implementing this strategy in Asia, where major cities have high influence and markets are expected to grow in the future.

Going forward, we will actively enter new markets according to the specific attributes of each. In markets where we sell our products via sales agencies, we will seek to undertake direct sales through sales subsidiaries.

Together with Bare Escentuals, which we recently acquired, we will initiate collaborative projects and study specific ways to maximize synergistic benefits. We will also deploy our skincare-related R&D capabilities—a key strength of the Shiseido Group—and our sales bases in Japan and elsewhere in Asia. In Europe and North America, meanwhile, we will further strengthen sales via television shopping, over-the-counter, and the Internet.

"Establish an unsurpassed, world-class quality of business management"

(1) human resources

We have been nurturing human resources on a global basis and promoting diversity by both globalizing Japanese employees and nurturing employees in local markets overseas. Concurrently, we have been removing barriers related to age, gender and nationality in creating an organization that attracts the most suitable roles.

(2) Working to raise management efficiency

In January 2010, a new SAP core business processing system, which overseas introduction began starting with Europe, expanded to regions other than Europe. Efforts will center on standardizing and reforming business processes. Furthermore, Shiseido established a procurement center in Shanghai. We will raise organizational capabilities by strengthening strategic functions and our business support system while working to raise management efficiency.

(3) Environmental activities

The original meaning of the "Shiseido" name is to "appreciate the Earth's blessings and use them to create new levels of value." Based on this, we are thankful for the limited resources of this planet and regard it as our mission to protect such resources and pass them on to the next generation. Seeking to propose "innovative lifestyles in which environment and beauty coexist," we will continue promoting the Shiseido Earth Care Project, an environmental initiative involving all Group employees. This project focuses on three areas: cutting carbon dioxide emissions, saving resources, and protecting biodiversity.

Another key CSR initiative is our Life Quality Beauty Program. Here, we will undertake product development and strengthen alliances with medical institutions in order to address the skin-related anxieties that many people have. In the year under review, we held around 3,000 beauty-related seminars in aged-care welfare and other facilities. We will broaden the scope of this initiative to cover more facilities, and we will expand activities overseas, including by increasing the number of regions targeted.

To "become a global player representing Asia with its origins in Japan," the Shiseido Group will continue raising the quality of all its activities. In this way, we will "create a brand loved by customers throughout the world" and establish an "unsurpassed, world-class quality of business management." In the fiscal year ending March 2011, we will finish off our current three-year plan aimed at raising the quality of all our activities. During the year, we will unite in an effort to build a firm footing for getting the Group onto a growth trajectory toward globalization over the subsequent three-year period.

III. Place at which the Reference Documents are Made Available for Public Inspection:

Shiseido Company, Limited Head Office
(5-5, Ginza 7-chome, Chuo-ku, Tokyo, Japan)

Tokyo Stock Exchange, Inc.
(2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

PART IV. INFORMATION ON GUARANTOR, ETC.

Not applicable

(Translation)

MINUTES OF MEETING OF BOARD OF DIRECTORS

1. Date and hour of meeting:

April 28 (Wednesday), 2010 from 9:54 a.m. to 10:00 a.m.

2. Place of meeting:

Conference Room, 22nd Floor of the Shiodome Office of Shiseido Company, Limited

3. Chairman of meeting:

Shinzo Maeda, President & CEO

4. Attendance:

4.1 Directors:

10 Directors present out of the total of 10

(1) Directors present:

President & CEO Shinzo Maeda, Executive Vice President Kimie Iwata, Corporate Senior Executive Officer Carsten Fisher, Corporate Senior Executive Officer Yasuhiko Harada, Corporate Executive Officer Hisayuki Suekawa, Corporate Executive Officer Tatsuomi Takamori, Director Toshimitsu Kobayashi, Director Masaaki Komatsu, Director Shoichiro Iwata and Director Tatsuo Uemura

(2) Directors absent:

None

4.2 Corporate Auditors:

5 Corporate Auditors present out of the total of 5

(1) Corporate Auditors present:

Corporate Auditor Kiyoharu Ikoma, Corporate Auditor Kazuko Ohya, Corporate Auditor Akio Harada, Corporate Auditor Reiko Kuroda and Corporate Auditor Nobuo Otsuka

(2) Corporate Auditors absent:

None

5. Matter resolved:

Proposition: Permanent finance for purchasing BE

[Proposer] Financial Department

[Proposed content] The "6th Straight Bonds" should be issued as follows:

(Outline of the issuance of the Bonds)

Description of the Bonds	Domestic unsecured straight bonds
Issue date	During the period after this resolution of the meeting of the Board of Directors through September 30, 2010
Total amount of the Bonds	Not exceeding ¥40 billion (issuable in two or more tranches within such amount)
Interest rate	Distribution yields on government bonds with maturities similar to that of the Bonds + 0.5% or less
Payment amount	¥100 per ¥100 in face value of each Bond
Maturity	5 years or less
Method of redemption	Bullet redemption at maturity
Security/guarantee	No security or guarantee is created.
Financial covenants	A clause of negative pledge, as well as any covenant required upon the issuance of the Bonds will be added.
Use of proceeds	To be appropriated for funds for working capital, loan and investment, bond redemption, etc.
Book-entry Bonds	All of the Bonds to be issued pursuant to this resolution shall be governed by the "Act on Book- Entry Transfers of Company Bonds, Shares, etc." of Japan (2001 Law No. 75).
Others	The determination of the specific issue date, total issue amount, interest rate and other matters listed in the items of Article 676 of the Corporation Law of Japan, as well as all matters required upon the issuance of the Bonds will be left to the Director in charge of financial affairs to the extent of this resolution.

[Result of the resolution] The 10 Directors present unanimously approved and adopted the proposition as proposed.

SHISEIDO

IN TESTIMONY OF the resolution, the proceedings in outline and the resultant actions taken have been recorded in minutes, affixed with the names and seals of the chairman and the Directors and Corporate Auditors present hereunto.

October 29, 2009

At the meeting of the Board of Directors of Shiseido Company, Limited

Chairman; Representative Director; and President & CEO:	Shinzo Maeda
Representative Director; and Executive Vice President:	Kimie Iwata
Director; and Corporate Senior Executive Officer:	Carsten Fischer
Director; and Corporate Senior Executive Officer:	Yasuhiko Harada
Director; and Corporate Executive Officer:	Hisayuki Suekawa
Director; and Corporate Executive Officer:	Tatsuomi Takamori
Director:	Toshimitsu Kobayashi
Director:	Masaaki Komatsu
Director:	Shoichiro Iwata
Director:	Tatsuo Uemura
Corporate Auditor:	Kiyoharu Ikoma
Corporate Auditor:	Kazuko Ohya
Corporate Auditor:	Akio Harada
Corporate Auditor:	Reiko Kuroda
Corporate Auditor:	Nobuo Otsuka

- END -

SHISEIDO

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
ASSETS		
Current Assets:		
Cash and Time Deposits	57,411	70,101
Notes and Accounts Receivable	102,019	111,796
Short-Term Investments in Securities	47,343	24,723
Inventories	68,330	67,342
Deferred Tax Assets	26,228	28,389
Other Current Assets	16,696	16,939
Less: Allowance for Doubtful Accounts	(1,034)	(1,050)
Total Current Assets	316,995	318,241
Fixed Assets:		
Property, Plant and Equipment:		
Buildings and Structures	161,018	157,281
Accumulated depreciation	(92,670)	(95,191)
Buildings and Structures (net of depreciation)	68,348	62,089
Machinery, Equipment and Vehicles	81,888	82,938
Accumulated Depreciation	(70,287)	(72,112)
Machinery, Equipment and Vehicles (net of depreciation)	11,601	10,826
Fixtures and Fittings	47,002	50,434
Accumulated Depreciation	(33,333)	(36,061)
Fixtures and Fittings (net of depreciation)	13,668	14,373
Land	38,184	35,274
Leased Assets	10,839	11,094
Accumulated Depreciation	(5,545)	(5,196)
Leased Assets (net)	5,294	5,898
Construction in Progress	1,136	4,322
Total Property, Plant and Equipment	138,232	132,784
Intangible Assets:		
Goodwill	12,197	11,852
Lease Assets	208	371
Other Intangible Assets	22,999	23,612
Total Intangible Assets	35,405	35,837
Investments and Other Assets:		
Investments in Securities	33,929	192,142
Prepaid Pension Expenses	34,359	28,740
Long-Term Loans Receivable	—	17,476
Long-Term Prepaid Expenses	11,313	10,326
Deferred Tax Assets	12,092	14,163
Other Investments	24,466	25,896
Less: Allowance for Doubtful Accounts	(227)	(164)
Total Investments and Other Assets	115,934	288,581
Total Fixed Assets	**289,572**	**457,203**
Total Assets	**606,568**	**775,445**

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
LIABILITIES		
Current Liabilities:		
Notes and Accounts Payable	52,713	44,320
Short-Term Debt	3,709	105,966
Commercial Paper	819	—
Bonds Redeemable within One Year	20,000	—
Current Portion of Long-Term Borrowings	800	4,273
Lease Obligations	2,273	2,453
Accrued Amount Payable	47,005	46,988
Accrued Income Taxes	5,306	10,277
Reserve for Sales Returns	11,061	11,821
Accrued Bonuses for Employees	9,563	11,320
Accrued Bonuses for Directors and Corporate Auditors	119	317
Provision for Liabilities and Charges	633	1,025
Deferred Tax Liabilities	8	21
Other Current Liabilities	20,082	22,725
Total Current Liabilities	174,097	261,512
Long-Term Liabilities:		
Bonds	—	50,000
Long-Term Borrowings	31,110	47,779
Lease Obligations	3,340	3,974
Accrued Retirement Benefits	39,271	40,130
Allowance for Loss on Guaranties	350	350
Allowance for Environmental Measures	—	499
Deferred Tax Liabilities	3,821	3,381
Other Long-Term Liabilities	2,625	2,611
Total Long-Term Liabilities	80,519	148,725
Total Liabilities	254,617	410,237
NET ASSETS		
Shareholders' Equity:		
Common Stock	64,506	64,506
Capital Surplus	70,258	70,258
Retained Earnings	245,544	259,063
Less: Treasury Stock	(16,839)	(23,111)
Total Shareholders' Equity	363,469	370,717
Valuation, Translation Adjustments and Others:		
Unrealized Gains on Available-for- Sale Securities, Net of Taxes	353	1,054
Foreign Currency Translation Adjustments	(26,599)	(23,447)
Total Valuation, Translation Adjustments and Others	(26,245)	(22,393)
Stock Acquisition Rights	**255**	**430**
Minority Interests in Consolidated Subsidiaries	**14,471**	**16,453**
Total Net Assets	**351,951**	**365,207**
Total Liabilities and Net Assets	**606,568**	**775,445**

SHISEIDO

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
Net Sales	690,256	644,201
Cost of Sales	171,752	160,166
Gross Profit	518,503	484,035
Selling, General and Administrative Expenses	468,589	433,684
Operating Income	49,914	50,350
Other Income		
Interest Income	2,108	831
Dividend Income	712	684
Equity in Earnings of Affiliates	57	61
Rental Income	—	717
Subsidy Income	—	479
Others	2,839	1,575
Total Other Income	5,718	4,350
Other Expenses		
Interest Expense	1,812	1,569
Sales Discounts	412	—
Foreign Exchange Loss	274	3
Other	1,070	1,643
Total Other Expenses	3,570	3,215
Ordinary Income	52,061	51,485
Extraordinary Income		
Gain on Sales of Property, Plant and Equipment	519	254
Gain on Revaluation of Investments in Securities	35	198
Gain on Sales of Shares in Affiliates	71	—
Total Extraordinary Income	626	453
Extraordinary Losses		
Impairment loss	6,072	3,469
Loss on Disposal of Property, Plant and Equipment	1,403	718
Loss on Sales of Investments in Securities	12	36
Loss on Revaluation of Investments in Securities	186	356
Loss on Revaluation of Capital Subscriptions	19	—
Restructuring Expense	6,073	—
Effect of Application of Accounting Standards for Leased Assets	215	—
Loss on Cancellation of Lease Obligations	218	112
Environmental Expenses	—	507
Total Extraordinary Losses	**14,201**	**5,199**
Income before Income Taxes	**38,486**	**46,739**
Income Taxes – Current	**12,027**	**14,659**
Income Tax –Deferred	**3,108**	**(5,166)**
Total Income Taxes	**15,136**	**9,492**
Minority Interests in Earnings of Consolidated Subsidiaries	**3,976**	**3,575**
Net Income	**19,373**	**33,671**

SHISEIDO

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
Shareholders' Equity		
Common Stock		
Balance at End of Previous Term	64,506	64,506
Balance at End of Term in Review	64,506	64,506
Capital Surplus		
Balance at End of Previous Term	70,258	70,258
Balance at End of Term in Review	70,258	70,258
Retained Earnings		
Balance at End of Previous Term	248,920	245,544
Change due to Change in Accounting Treatment for Overseas Subsidiaries	(5,385)	—
Changes during Term in Review		
Distribution of Retained Earnings	(16,982)	(19,975)
Net Income	19,373	33,671
Disposal of Treasury Stock	(430)	(169)
Change in Consolidation Scope	49	(6)
Total Changes during Term in Review	2,009	13,519
Balance at End of Term in Review	245,544	259,063
Treasury Stock		
Balance at End of Previous Term	(11,196)	(16,839)
Changes during Term in Review		
Acquisition of Treasury Stock	(6,546)	(6,829)
Disposal of Treasury Stock	903	557
Total Changes during Term in Review	(5,643)	(6,272)
Balance at End of Term in Review	(16,839)	(23,111)
Total Shareholders' Equity		
Balance at End of Previous Term	372,488	363,469
Change due to Change in Accounting Treatment for Overseas Subsidiaries	(5,385)	—
Changes during Term in Review		
Distribution of Retained Earnings	(16,982)	(19,975)
Net Income	19,373	33,671
Acquisition of Treasury Stock	(6,546)	(6,829)
Disposal of Treasury Stock	472	388
Change in Consolidation Scope	49	(6)
Total Changes during Term in Review	(3,633)	7,247
Balance at End of Term in Review	363,469	370,717

SHISEIDO

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
Valuation/Translation Gains or Losses		
Net Unrealized Gains or Losses on Securities		
Balance at End of Previous Term	5,274	353
Changes during Term in Review		
Changes during Term Not Related to Shareholders' Equity (Net)	(4,920)	700
Total Changes during Term in Review	(4,920)	700
Balance at End of Term in Review	353	1,054
Deferred Hedging Gains or Losses		
Balance at End of Previous Term	(57)	—
Changes during Term in Review		
Changes during Term Not Related to Shareholders' Equity (Net)	57	—
Total Changes during Term in Review	57	—
Balance at End of Term in Review	—	—
Translation Adjustments		
Balance at End of Previous Term	4,763	(26,599)
Changes during Term in Review		
Changes during Term Not Related to Shareholders' Equity (Net)	(31,363)	3,151
Total Changes during Term in Review	(31,363)	3,151
Balance at End of Term in Review	(26,599)	(23,447)
Total Valuation/Translation Gains or Losses		
Balance at End of Previous Term	9,980	(26,245)
Changes during Term in Review		
Changes during Term Not Related to Shareholders' Equity (Net)	(36,226)	3,852
Total Changes during Term in Review	(36,226)	3,852
Balance at End of Term in Review	(26,245)	(22,393)
Stock Acquisition Rights		
Balance at End of Previous Term	153	255
Changes during Term in Review		
Changes during Term Not Related to Shareholders' Equity (Net)	102	174
Total Changes during Term in Review	102	174
Balance at End of Term in Review	255	430
Minority Interests		
Balance at End of Previous Term	17,115	14,471
Changes during Term in Review		
Changes during Term Not Related to Shareholders' Equity (Net)	(2,644)	1,982
Total Changes during Term in Review	(2,644)	1,982
Balance at End of Term in Review	14,471	16,453
Total Net Assets		
Balance at End of Previous Term	399,738	351,951
Change due to Change in Accounting Treatment for Overseas Subsidiaries	(5,385)	—
Changes during Term in Review		
Distribution of Retained Earnings	(16,982)	(19,975)
Net Income	19,373	33,671
Acquisition of Treasury Stock	(6,546)	(6,829)
Disposal of Treasury Stock	472	388
Change in Consolidation Scope	49	(6)
Changes during Term Not Related to Shareholders' Equity (Net)	(38,768)	6,009
Total Changes during Term in Review	(42,401)	13,256
Balance at End of Term in Review	351,951	365,207

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(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year Ended March 2009 (April 1, 2008– March 31, 2009)	Fiscal Year Ended March 2010 (April 1, 2009– March 31, 2010)
Cash Flows from Operating Activities		
Income before Income Taxes	38,486	46,739
Depreciation	28,288	26,349
Amortization of Goodwill	1,562	1,041
Impairment Loss	6,072	3,469
(Gain) Loss on Disposal of Property, Plant and Equipment	883	463
(Gain) Loss on Sales of Shares in Affiliates	(71)	—
(Gain) Loss on Sales of Investments in Securities	(23)	(162)
Valuation Loss on Investments in Securities	186	356
Valuation Loss on Investments	19	—
Special Retirement-Related Expense	—	—
Business Restructuring Expense	6,073	—
Effect of Application of Accounting Standards for Leased Assets	215	—
Loss on Cancellation of Lease Obligations	218	112
Environmental Expenses	—	507
Increase (Decrease) in Allowance for Doubtful Accounts	(230)	(73)
Increase (Decrease) in Reserve for Sales Returns	2,175	693
Increase (Decrease) in Accrued Bonuses for Employees	(2,466)	1,735
Increase (Decrease) in Accrued Bonuses for Directors and Corporate Auditors	9	198
Increase (Decrease) in Provision for Liabilities and Charges	(18)	363
Increase (Decrease) in Accrued Retirement Benefits	1990	745
(Increase) Decrease in Prepaid Pension Expenses	552	5,619
Interest and Dividend Income	(2,820)	(1,515)
Interest Expense	1,812	1,569
Equity in (Earnings) Losses of Affiliates	(57)	(61)
(Increase) Decrease in Notes and Accounts Receivable	(5,052)	(8,471)
(Increase) Decrease in Inventories	(10,339)	2,014
Increase (Decrease) in Notes and Accounts Payable	(4,698)	(9,085)
Payment for Prior Portion of Defined Contribution Pension Plan	—	—
Other	(3,474)	4,288
Subtotal	59,294	76,895
Interest and Dividends Received	2,823	1,562
Interest Paid	(1,808)	(1,528)
Income Tax Paid	(17,542)	(7,497)
Net Cash Provided by Operating Activities	42,767	69,431
Cash Flows from Investing Activities		
Transfers to Time Deposits	(31,737)	(33,151)
Proceeds from Maturity of Time Deposits	27,667	28,668
Acquisition of Short-Term Investments in Securities	(934)	(1,365)
Proceeds from Sales of Short-term Investments in Securities	1,638	1,501
Acquisition of Investments in Securities	(3,815)	(157,574)
Proceeds from Sales of Investments in Securities	3,926	317
Acquisition of Shares in Subsidiaries Resulting in Change in Consolidation Scope	—	—
Net Proceeds from Sales of Shares in Subsidiaries Resulting in Change in Consolidation Scope	342	—
Acquisition of Property, Plant and Equipment	(16,133)	(15,544)
Proceeds from Sales of Property, Plant and Equipment	757	818
Acquisition of Intangible Assets	(5,670)	(4,684)
Payments of Long-Term Prepaid Expenses	(6,419)	(5,286)
Long-Term Loans Extended	—	(20,840)
Other	2,219	2,256

Net cash Used in Investing Activities	(28,157)	(204,884)

(Millions of yen)

	Fiscal Year Ended March 2009 (April 1, 2008– March 31, 2009)	Fiscal Year Ended March 2010 (April 1, 2009– March 31, 2010)
Cash Flows from Financing Activities		
Net Increase (Decrease) in Short-Term Debt	(260)	102,177
Net Increase (Decrease) in Commercial Paper	930	(842)
Proceeds from Long-Term Debt	28,668	20,879
Repayment of Long-Term Debt	(27,250)	(800)
Proceeds from Issuance of Long-Term Debt	—	50,000
Redemption of Bonds	(6,206)	(20,000)
Repayment of Lease Obligations	(3,166)	(3,055)
Acquisition of Treasury Stock	(6,546)	(6,829)
Sales of Treasury Stock	472	388
Cash Dividends Paid	(16,972)	(19,955)
Cash Dividends Paid to Minority Shareholders	(2,065)	(1,904)
Other	110	301
Net Cash Used in Financial Activities	**(32,283)**	**120,359**
Effect of Exchange Rate Changes on Cash and Cash Equivalents·	**(10,752)**	**393**
Net Change in Cash and Cash Equivalents	**(28,425)**	**(14,700)**
Cash and Cash Equivalents at Beginning of Term	**120,393**	**91,857**
Change in Cash and Cash Equivalents Due to Change in Scope of Consolidation	**(110)**	**—**
Cash and Cash Equivalents at End of Term	**91,857**	**77,157**

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(5) Note on assumptions for going concern

Not applicable

(6) Basis of Presenting Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 97

Principal subsidiaries are listed in the Group's most recent Financial Report (submitted June 24, 2009). Since there are no major changes, the list is omitted from this report. Please refer to the following website for the list of principal subsidiaries.

http://www.shiseido.co.jp/ir/library/syoken_arch_img/0803all.pdf

[Additions: 15 companies]

Three companies—Shiseido Hellas S.A., Shiseido Cosmetics Vietnam Co., Ltd., and Brush Holdings LLC—were established during the period and thus have been included in the scope of consolidation in the year under review.

Bare Escentuals Beauty, Inc. and 11 group companies made a cash acquisition of outstanding shares of Bare Escentuals Beauty, Inc., which subsequently was included in the scope of consolidation in the year under review.

For more information, please refer to "Corporate Amalgamations" on page 31.

[Exclusions: 4 companies]

Three companies—Beauty Technologies Co., Ltd., Shiseido Beautech Co., Ltd., and Shiseido Dah Chong Hong Cosmetics (Guangzhou) Ltd.—were liquidated during the period and thus excluded from the scope of consolidation in the year under review.

Another company, Calita International Co., Ltd., was merged into Calita Co., Ltd. (now named Calita International) and thus ceased to exist. Accordingly, that company was excluded from the scope of consolidation in the year under review.

(2) Nonconsolidated subsidiaries

Major Company Name: Beauté Prestige International Ltd. (UK)

(Reasons for excluding nonconsolidated subsidiaries from scope of consolidation)

Since these companies are small in scale or do not engage in full-scale operations, their combined assets, net sales, net income (the Company's interest share) and retained earnings (the Company's interest share) have a minimal effect on the Company's consolidated financial statements, and they are insignificant in general, they are not included in the scope of consolidation.

(7) Changes to the Basis of Presenting Consolidated Financial Statements

1. Changes in Accounting Policies

Partial Amendment to Accounting Standard for Retirement Benefits (Part 3)

In the period under review, the Company and its domestic consolidated subsidiaries applied Partial Amendment to Accounting Standard for Retirement Benefits (Part 3) (Corporate Accounting Standard No. 19, July 31, 2008). The effect of this application on retirement benefit obligations, operating income, ordinary income, and income before income taxes in the year under review was minimal.

2. Changes in Disclosure Method

(Consolidated Balance Sheets)

"Long-Term Loan Receivables" (included in "Other" under "Investments and Other Assets" in the previous fiscal year), amounting to ¥282 million, exceeded 1% of total assets and thus is listed as a separate item in the year under review.

(Consolidated Statements of Income)

(1) "Rent Received" (included in "Other" under "Other Income" in the previous fiscal year), amounting to ¥533 million, exceeded 1% of total other income and thus is listed as a separate item in the year under review.

(2) "Grants Received" (included in "Other" under "Other Income" in the previous fiscal year), amounting to ¥0 million, exceeded 1% of total other income and thus is listed as a separate item in the year under review.

(3) "Sales Discounts" (listed as a separate item in the previous fiscal year), amounting to ¥192 million, constituted less than 1% of total other expenses and thus is included in "Other" under "Other Expenses" in the year under review.

Apart from the items described above, there are no significant changes to items outlined in the Company's most recent Financial Report (filed on June 24, 2009). Accordingly, such items have been omitted from this document.

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(8) Notes

[Business Segment Information]

Fiscal Year Ended March 2009

(Millions of yen)

	Domestic Cosmetics	Overseas Cosmetics	Others	Subtotal	Elimination	Total
1. Net Sales and Operating Income/Expenses:						
Net Sales						
(1) Sales from Outside Customers	412,337	260,915	17,002	690,256	–	690,256
(2) Intersegment Sales or Transfers	5,600	1,734	11,551	18,886	(18,886)	–
Total	417,938	262,650	28,553	709,142	(18,886)	690,256
Operating Expenses	384,934	247,656	27,073	659,664	(19,321)	640,342
Operating Income	33,004	14,944	1,480	49,478	435	49,914
2. Assets, Depreciation and Amortization, Impairment Loss, and Capital Participations:						
Assets	251,743	224,090	53,358	529,192	77,376	606,568
Depreciation and Amortization	17,390	9,240	1,621	28,252	36	28,288
Impairment Loss	750	5,071	251	6,072	–	6,072
Capital Participations	15,545	13,222	621	29,389	72	29,462

Notes: 1. Business segments and main products/services included in each segment.

2. Shiseido's business is segmented by categories for control of its in-house organization.

Domestic Cosmetics	Cosmetics division (Production and sale of cosmetics, cosmetic accessories, toiletries) Professional division (Production and sale of beauty salon products) Healthcare division (Production and sale of health & beauty foods and over-the-counter drugs) Other (Production and sale of non-Shiseido-brand products, mail-order products, etc.)
Overseas Cosmetics	Cosmetics division (Production and sale of cosmetics, cosmetic accessories, toiletries) Professional division (Production and sale of beauty salon products)
Others	Frontier Sciences division (Production and sale of cosmetic raw materials, medical-use drugs, beauty care cosmetics, etc.) Others (Sale of clothing and accessories; operation of restaurants; etc.)

3. From the year in review the Company has applied "Temporary Accounting Treatment for Overseas Subsidiaries for Preparing Consolidated Financial Statements." As a result of this change, in the period under review, consolidated operating income in the Overseas Cosmetics business segment declined ¥1,094 million compared with the previous fiscal year.
4. From the year in review the Company has applied "Accounting Standard for Lease Transactions" and "Guidance on Accounting Standard for Lease Transactions." As a result of this change, in the period under review, consolidated operating income in the Domestic Cosmetics business segment increased ¥206 million, consolidated operating income in the Overseas Cosmetics business segment increased ¥64 million, and consolidated operating income in the Others business segment increased ¥13 million compared with the previous fiscal year.
5. At fiscal year-end, companywide assets included in the Elimination line item were ¥79,411million, consisting mainly of deferred tax assets, financial assets of the Company (cash and time deposits, short-term investments in securities, and investments in securities), and assets related to administrative operations.
6. Previously, deferred tax assets were included among companywide assets. From the year in review, however, such assets are classified by business segment, in order to better clarify assets that should be controlled by the relevant business segments. As a result of this change, in the period under review, assets of the Domestic Cosmetics business segment increased ¥30,680 million, assets in the Overseas Cosmetics business segment increased ¥5,640 million, and assets in the Others business segment increased ¥1,805 million compared with the previous fiscal year, while companywide assets declined ¥38,126 million.
7. Long-term prepaid expenses are included in depreciation and amortization, impairment loss, and capital participations.

Fiscal Year Ended March 2010

(Millions of yen)

	Domestic Cosmetics	Overseas Cosmetics	Others	Subtotal	Elimination	Total
1. Net Sales and Operating Income/Expenses:						
Net Sales						
(1) Sales from Outside Customers	397,567	236,600	10,033	644,201	—	644,201
(2) Intersegment Sales or Transfers	2,282	1,641	6,188	10,111	(10,111)	—
Total	399,849	238,241	16,221	654,312	(10,111)	644,201
Operating Expenses	360,494	229,119	14,505	604,119	(10,269)	593,850
Operating Income	39,355	9,121	1,716	50,193	157	50,350
2. Assets, Depreciation and Amortization, Impairment Loss, and Capital Participations:						
Assets	237,847	423,934	47,895	709,678	65,767	775,445
Depreciation and Amortization	16,730	8,259	1,308	26,298	51	26,349
Impairment Loss	3,395	53	20	3,469	—	3,469
Capital Participations	14,960	13,411	232	28,603	54	28,657

Notes:
1. Business segments and main products/services included in each segment.
2. Shiseido's business is segmented by categories for control of its in-house organization.

Domestic Cosmetics	Cosmetics division (Production and sale of cosmetics, cosmetic accessories, toiletries) Professional division (Production and sale of beauty salon products) Healthcare division (Production and sale of health & beauty foods and over-the-counter drugs) Other (Production and sale of non-Shiseido-brand products, mail-order products, etc.)
Overseas Cosmetics	Cosmetics division (Production and sale of cosmetics, cosmetic accessories, toiletries) Professional division (Production and sale of beauty salon products)
Others	Frontier Sciences division (Production and sale of cosmetic raw materials, medical-use drugs, beauty care cosmetics, etc.) Others (Operation of restaurants; etc.)

3. At fiscal year-end, companywide assets included in the Elimination line item were ¥66,887 million, consisting mainly of deferred tax assets, financial assets of the Company (cash and time deposits, short-term investments in securities, and investments in securities), and assets related to administrative operations.
4. Long-term prepaid expenses are included in depreciation and amortization, impairment loss, and capital participations.

[Geographical Segment Information]

Fiscal Year Ended March 2009

(Millions of yen)

	Japan	Americas	Europe	Asia/ Oceania	Subtotal	Elimination	Total
1. Net Sales							
(1) Sales from Outside Customers	429,963	50,656	100,033	109,601	690,256	—	690,256
(2) Intersegment Sales or Transfer	25,325	8,296	6,150	181	39,954	(39,954)	—
Total	455,288	58,953	106,184	109,783	730,210	(39,954)	690,256
Operating Expenses	436,856	55,678	97,926	93,004	683,465	(43,123)	640,342
Operating Income	18,432	3,275	8,258	16,778	46,745	3,168	49,914
2. Assets	337,163	44,388	80,641	80,647	542,841	63,727	606,568

Notes:
1. Segmentation between countries and regions is based on geographic proximity.
2. Major countries and regions besides Japan are as follows:
   Americas: United States, Canada, Brazil
   Europe: France, Italy, Germany, Spain
   Asia/Oceania: China (including Hong Kong), Taiwan, South Korea, Southeast Asia, Australia
3. From the year in review the Company has applied “Temporary Accounting Treatment for Overseas Subsidiaries for Preparing Consolidated Financial Statements.” As a result of this change, in the period under review, consolidated operating income in the Americas declined ¥733 million and consolidated operating income in Asia/Oceania decreased \361 million compared with the previous fiscal year.
4. From the year in review the Company has applied “Accounting Standard for Lease Transactions” and “Guidance on Accounting Standard for Lease Transactions.” As a result of this change, in the period under review, consolidated operating income in Japan increased ¥284 million compared with the previous fiscal year.
5. At fiscal year-end, companywide assets included in the Elimination line item were ¥79,411 million, consisting mainly of deferred tax assets, financial assets of the Company (cash and time deposits, short-term investments in securities, and investments in securities), and assets related to administrative operations.
6. Previously, deferred tax assets were included among companywide assets. From the year in review, however, such assets are classified by business segment, in order to better clarify assets that should be controlled by the relevant business segments. As a result of this change, in the period under review, assets in Japan increased ¥32,552 million, assets in the Americas increased ¥2,631 million, assets in Europe increased ¥1,778 million, and assets in Asia/Oceania increased ¥854 million compared with the previous fiscal year, while companywide assets declined ¥37,817 million.

Fiscal Year Ended March 2010

(Millions of yen)

	Japan	Americas	Europe	Asia/ Oceania	Subtotal	Elimination	Total
1. Net Sales							
(1) Sales from Outside Customers	408,077	45,720	82,393	108,010	644,201	—	644,201
(2) Intersegment Sales or Transfer	25,020	7,747	4,599	187	37,554	(37,554)	—
Total	433,097	53,467	86,992	108,198	681,756	(37,554)	644,201
Operating Expenses	409,055	50,251	81,345	93,123	633,776	(39,925)	593,850
Operating Income	24,042	3,216	5,647	15,074	47,979	2,370	50,350
2. Assets	321,922	224,885	84,510	95,447	726,766	48,678	775,445

Notes: 1. Segmentation between countries and regions is based on geographic proximity.
2. Major countries and regions besides Japan are as follows:
Americas: United States, Canada, Brazil
Europe: France, Italy, Germany, Spain
Asia/Oceania: China (including Hong Kong), Taiwan, South Korea, Southeast Asia, Australia
3. At fiscal year-end, companywide assets included in the Elimination line item were ¥66,887 million, consisting mainly of deferred tax assets, financial assets of the Company (cash and time deposits, short-term investments in securities, and investments in securities), and assets related to administrative operations.

[Overseas Sales]

Fiscal Year Ended March 2009

(Millions of yen)

	Americas	Europe	Asia/Oceania	Total
Total Overseas Sales	54,859	88,549	118,595	262,004
Consolidated Net Sales				690,256
Percentage of Overseas Sales against Consolidated Net Sales	8.0	12.8	17.2	38.0

Fiscal Year Ended March 2010

(Millions of yen)

	Americas	Europe	Asia/Oceania	Total
Total Overseas Sales	48,504	73,773	115,269	237,546
Consolidated Net Sales				644,201
Percentage of Overseas Sales against Consolidated Net Sales	7.5	11.5	17.9	36.9

Notes: 1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:
Americas: United States, Canada, Brazil.
Europe: France, Italy, Germany, Spain.
Asia/Oceania: China (including Hong Kong), Taiwan, South Korea, Southeast Asia, Australia
3. Overseas sales consist of exports from the Company and domestic consolidated subsidiaries and sales of overseas consolidated subsidiaries, excluding those from transactions with Japan. Sales from intersegment transactions among the Companies are not included.

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(Corporate Amalgamations, etc.)

On March 8, 2010, the Company, through its acquisition subsidiary Blush Acquisition Corporation, acquired outstanding shares in Bare Escentuals, Inc. via a cash-based takeover bid, making Bare Escentuals a subsidiary. Following the acquisition, BAC engaged in a simple merger with Bare Escentuals under Delaware law, whereby Bare Escentuals became the surviving entity and BAC ceased to exist.

1. Name and main business of acquired company; reason, date, and legal method used for acquisition; name of company and equity stake after acquisition

(1) Name and main business of acquired company
Name: Bare Escentuals, Inc.
Main business: Sales of cosmetics, etc.

(2) Reason for corporate acquisition
To attain new brand value; significantly reinforce distribution, sales, and R&D capabilities; and strengthen business foundation in United States.

(3) Acquisition date
Cash-based share purchase: March 8, 2010
Merger: March 12, 2010

(4) Legal method used for acquisition and name of company after acquisition
Legal method used: Acquisition of shares with cash as compensation, followed by absorption-type merger (whereby Bare Escentuals became the surviving entity and BAC ceased to exist)
Name of company after acquisition: Unchanged

(5) Equity stake after acquisition
100%

2. Acquisition price and details
The acquisition price included approximately US$1.46 billion used in the cash-based takeover bid. Part of the acquisition price is subject to certain preconditions, but the official conditional price is currently being calculated pursuant to U.S. accounting standards, so disclosure at this time is difficult.

3. Details of conditional acquisition price and accounting policy

(1) Details of conditional acquisition price
The agreement includes a minimum guaranteed payment, plus set payments linked to performance, for the three-year period starting April 1, 2010.

(2) Accounting policy
Changes incurred by the aforementioned payment are expected to be recognized under U.S. accounting standards.

4. Goodwill incurred, assets received, and obligations assumed on date of acquisition
As of the end of the year in review, assets received and obligations assumed through the acquisition of Bare Escentuals and subsequent merger included assets and liabilities yet to be identified. Also, the official acquisition price was still being calculated and distribution of acquisition costs was still incomplete. For this reason, the Company has used a provisional accounting treatment and stated the cash-based acquisition price as part of investments in securities. The profits/losses of Bare Escentuals are not included in the Company's

statements of income in the year under review.

(Disclosure Omission)

Information on such items as lease transactions, derivative transactions, and stock options has been omitted from this document, because the significance of disclosing such items in this document is deemed to be low.

(Per-Share Data)

(Yen)

Fiscal Year Ended March 2009 (April 1, 2008–March 31, 2009)		Fiscal Year Ended March 2010 (April 1, 2009–March 31, 2010)	
Net assets per share	839.89	Net assets per share	875.72
Net income per share	48.04	Net income per share	84.62
Net income per share (fully diluted)	47.96	Net income per share (fully diluted)	84.53

Note: Basis for calculation:

1. The basis for calculating net assets per share is shown below.

	Fiscal Year Ended March 2009 (April 1, 2008–March 31, 2009)	Fiscal Year Ended March 2010 (April 1, 2009–March 31, 2010)
Total net assets (¥ millions)	351,951	365,207
Amount deducted from total net assets (¥ millions)	14,727	16,884
[New share subscription rights (¥ millions)]	(255)	(430)
[Minority interests (¥ millions)]	(14,471)	(16,453)
Net assets at term-end related to common stock (¥ millions)	337,224	348,323
Common stock at term-end used to calculate net assets per share (1,000 shares)	401,510	397,758

2. The basis for calculating net income per share and fully diluted net income per share is shown below.

	Fiscal Year Ended March 2009 (April 1, 2008–March 31, 2009)	Fiscal Year Ended March 2010 (April 1, 2009–March 31, 2010)
Net income per share		
Net income (\ millions)	19,373	33,671
Amount not belonging to common stockholders (\ millions)	—	—
Net income (loss) related to common stock (\ millions)	19,373	33,671
Average shares outstanding (1,000 shares)	403,240	397,886
Net income per share (fully diluted)		
Net income adjustment (\ millions)	—	—
Increase in common stock (1,000 shares)	695	458
(Stock options made available through new share subscription rights) (1,000 shares)	(695)	(458)
Latent shares not included in fully diluted net income per share calculation due to lack of dilution effect.	Stock options made available through new share subscription rights (386 new share subscription rights): 386 thousand shares of common stock	Stock options made available through new share subscription rights (902 new share subscription rights): 902 thousand shares of common stock

(Important Subsequent Event)

At its meeting held on April 28, 2010, the Board of Directors passed the following resolutions.

(1) Retirement of treasury stock

The Board of Directors passed a resolution to retire treasury stock pursuant to Article 178 of the Company Law. The details are as outlined below.

(1) Type of shares to be retired	Common Stock
(2) Number of shares to be retired	10,000,000 (equivalent to 2.43% of total shares outstanding prior to retirement)
(3) Retirement date	May 21, 2010

After the aforementioned retirement, the Company will have a total of 400,000,000 shares outstanding.

(2) Issue of domestic unsecured straight bonds

The Board of Directors passed a resolution to issue unsecured domestic straight bonds. The details are as outlined below.

(1) Total amount of issue	Maximum of ¥40.0 billion (however, multiple issues are possible within this total amount)
(2) Payment amount	¥100 for each ¥100 bond issued
(3) Interest rate	The distribution rate for domestic bonds having maturity more or less the same as the redemption period plus no more than 0.5%
(4) Term	Maximum of five years
(5) Redemption method	Lump payment upon maturity
(6) Period of issue	From the date of the Board of Directors' resolution through September 30, 2010
(7) Application of funds procured	Repayment of debt, etc.

The Company made bank borrowings totaling ¥100 billion for the acquisition of Bare Escentuals, Inc. The Company plans to use the aforementioned bond issue to repay part of such borrowings, with the remainder to be converted to long-term bank borrowings.

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Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
ASSETS		
Current Assets:		
Cash and Time Deposits	6,454	12,519
Notes Receivable	123	108
Accounts Receivable	93,854	93,996
Short-Term Investments in Securities	40,094	21,053
Products and Commodities	4,807	5,360
Goods in Progress	2,456	1,810
Materials and Supplies	6,498	6,829
Advances Paid	3	3
Prepaid Expenses	2,137	2,002
Deferred Tax Assets	12,807	10,492
Short-Term Loans to Affiliates	3,300	668
Accrued Income	7,671	8,683
Other Current Assets	4,718	674
Total Current Assets	184,926	164,203
Fixed Assets:		
Property, Plant and Equipment:		
Buildings	72,624	70,779
Accumulated depreciation	(48,957)	(49,837)
Buildings (net of depreciation)	23,667	20,941
Structures	5,950	5,743
Accumulated Depreciation	(4,983)	(4,909)
Structures (net of depreciation)	967	834
Machinery and Equipment Vehicles	50,783	49,808
Accumulated Depreciation	(44,287)	(44,524)
Machinery and Equipment (net of depreciation)	6,496	5,283
Vehicles and Transport Equipment	448	456
Accumulated Depreciation	(421)	(434)
Vehicles and Transport Equipment (net of depreciation)	27	22
Tools, Instruments and Fixtures	22,006	22,123
Accumulated Depreciation	(17,281)	(17,780)
Tools, Instruments and Fixtures (net of depreciation)	4,725	4,342
Land	26,097	24,042
Leased Assets	8,953	7,911
Accumulated Depreciation	(4,195)	(3,954)
Leased Assets (net)	4,757	3,957
Construction in Progress	198	203
Total Property, Plant and Equipment	66,937	59,628

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
Intangible Assets:		
Patent Rights	9	10
Leasehold Rights	90	90
Trademark Rights	11	—
Telephone Subscription Rights	124	124
Software	8,961	8,256
Software in Progress	1,874	1,643
Lease Assets	74	112
Other Intangible Assets	—	17
Total Intangible Assets	11,146	10,255
Investments and Other Assets:		
Investments in Securities	30,612	31,466
Shares in Affiliates	127,064	284,778
Other Securities in Affiliates	16,223	17,462
Capital Subscriptions	875	870
Capital Subscriptions in Affiliates	11,241	11,241
Long-Term Loans Extended	235	97
Long-Term Loans to Employees	1	1
Long-Term Loans to Affiliates	6,742	7,191
Prepaid Pension Expenses	13,501	11,497
Long-Term Prepaid Expenses	401	366
Deferred Tax Assets	6,944	7,048
Other Investments and Other Assets	6,345	8,162
Less: Allowance for Doubtful Accounts	(2,062)	(1,853)
Total Investments and Other Assets	218,126	378,330
Total Fixed Assets	**296,210**	**448,214**
Total Assets	**481,137**	**612,417**

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
LIABILITIES		
Current Liabilities:		
Notes Payable	1,556	1,146
Accounts Payable	31,623	28,996
Short-Term Debt	—	100,000
Bonds Redeemable within One Year	20,000	—
Lease Obligations	2,014	1,840
Accrued Amount Payable	25,430	23,712
Accrued Payables	311	494
Accrued Income Taxes	—	3,897
Advances Received	270	259
Advances Received from Affiliates	23,960	31,356
Reserve for Sales Returns	11,164	8,763
Accrued Bonuses for Employees	2,825	3,387
Accrued Bonuses for Directors and Corporate Auditors	115	307
Other Current Liabilities	232	893
Total Current Liabilities	119,505	205,057
Long-Term Liabilities:		
Bonds	—	50,000
Lease Obligations	2,910	2,344
Accrued Retirement Benefits	13,360	13,771
Allowance for Loss on Guaranties	350	350
Allowance for Environmental Measures	—	335
Other Long-Term Liabilities	1,286	1,451
Total Long-Term Liabilities	17,907	68,251
Total Liabilities	137,413	273,308
NET ASSETS		
Shareholders' Equity:		
Common Stock	64,506	64,506
Capital Surplus		
Capital Reserve	70,258	70,258
Total Capital Reserve	70,258	70,258
Retained Earnings		
Retained Reserve	16,230	16,230
Other Retained Earnings		
Retained Earnings Carried Forward	208,992	209,860
Total Retained Earnings	225,223	226,091
Less: Treasury Stock	(16,839)	(23,111)
Total Shareholders' Equity	343,148	337,744
Valuation, Translation Adjustments and Others:		
Unrealized Gains on Available-for- Sale Securities, Net of Taxes	319	934
Total Valuation, Translation Adjustments and Others	319	934
Stock Acquisition Rights	**255**	**430**
Total Net Assets	**343,724**	**339,108**
Total Liabilities and Net Assets	**481,137**	**612,417**

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(2) Non-Consolidated Statements of Income

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
Net Sales		
Products Sales	231,647	217,286
Commodity Sales	32,863	27,184
Total Net Sales	264,511	244,470
Cost of Sales		
Product Inventory at Beginning of Term	2,032	2,349
Manufacturing Costs during Term	105,942	101,067
Transfer to Other Accounts	15,602	12,034
Product Inventory at End of Term	2,349	3,150
Sales Discounts	90,022	88,231
Commodity Inventory at Beginning of Term	2,856	2,457
Commodity Purchases during Term	26,365	16,613
Commodity Inventory at End of Term	2,457	2,210
Sales Discounts	26,763	16,861
Total Cost of Sales	116,785	105,093
Gross Profit	147,726	139,377
Selling, General and Administrative Expenses	139,142	124,502
Operating Income	8,583	14,874
Other Income		
Interest Income	386	245
Interest Income from Securities	276	141
Dividend Income	12,396	4,216
Gain on Operation of Investment Consortium	1,448	1,476
Royalty Income	2,683	2,657
Others	1,994	1,797
Total Other Income	19,185	10,536
Other Expenses		
Interest Expense	457	363
Bond Interest Expense	224	311
Foreign Exchange Marginal Loss	69	185
Loss on Operation of Investment Consortium	190	88
Other	262	945
Total Other Expenses	1,204	1,894
Ordinary Income	26,564	23,515
Extraordinary Income		
Gain on Sales of Property, Plant and Equipment	195	29
Gain on Sales of Investments in Securities	35	198
Gain on Sales of Shares in Affiliates	31	1,165
Gain on Liquidation of Affiliates	—	3,916
Transfers from Allowance for Doubtful Accounts	—	209
Transfers from Allowance for Loan Guarantee Losses	230	—
Gain on Cancellation of Lease Obligations	52	8
Total Extraordinary Income	545	5,527

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
Extraordinary Losses		
Impairment loss	555	568
Loss on Disposal of Property, Plant and Equipment	680	310
Loss on Sales of Investments in Securities	—	20
Loss on Revaluation of Investments in Securities	173	327
Loss on Sales of Shares in Affiliates	12	—
Loss on Revaluation of Shares in Affiliates	227	—
Loss on Revaluation of Capital Subscriptions	14	6
Transfers to Allowance for Doubtful Accounts	73	—
Restructuring Expense	3,784	—
Effect of Application of Accounting Standards for Leased Assets	143	—
Loss on Cancellation of Lease Obligations	199	109
Environmental Expenses	—	335
Total Extraordinary Losses	**5,863**	**1,677**
Income before Income Taxes	**21,247**	**27,366**
Income Taxes – Current	**2,390**	**4,570**
Income Tax –Deferred	**2,562**	**1,783**
Total Income Taxes	**4,952**	**6,353**
Net Income	**16,294**	**21,012**

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(3) Non-Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
Shareholders' Equity		
Common Stock		
Balance at End of Previous Term	64,506	64,506
Balance at End of Term in Review	64,506	64,506
Capital Surplus		
Capital Reserve		
Balance at End of Previous Term	70,258	70,258
Balance at End of Term in Review	70,258	70,258
Total Capital Surplus		
Balance at End of Previous Term	70,258	70,258
Balance at End of Term in Review	70,258	70,258
Retained Earnings		
Retained Reserve		
Balance at End of Previous Term	16,230	16,230
Balance at End of Term in Review	16,230	16,230
Other Retained Earnings		
General Reserve		
Balance at End of Previous Term	217,044	—
Changes during Term in Review		
Reversal of General Reserve	(217,044)	—
Total Changes during Term in Review	(217,044)	—
Balance at End of Term in Review	—	—
Retained Earnings Carried Forward		
Balance at End of Previous Term	(6,932)	208,992
Changes during Term in Review		
Distribution of Retained Earnings	(16,982)	(19,975)
Reversal of General Reserve	217,044	—
Net Income	16,294	21,012
Disposal of Treasury Stock	(430)	(169)
Total Changes during Term in Review	215,925	867
Balance at End of Term in Review	208,992	209,860
Total Retained Earnings		
Balance at End of Previous Term	226,341	225,223
Changes during Term in Review		
Distribution of Retained Earnings	(16,982)	(19,975)
Net Income	16,294	21,012
Disposal of Treasury Stock	(430)	(169)
Total Changes during Term in Review	(1,118)	867
Balance at End of Term in Review	225,223	226,091
Treasury Stock		
Balance at End of Previous Term	(11,196)	(16,839)
Changes during Term in Review		
Acquisition of Treasury Stock	(6,546)	(6,829)
Disposal of Treasury Stock	903	557
Total Changes during Term in Review	(5,643)	(6,272)
Balance at End of Term in Review	(16,839)	(23,111)

(Millions of yen)

	Fiscal Year Ended March 2009	Fiscal Year Ended March 2010
Total Shareholders' Equity		
Balance at End of Previous Term	349,910	343,148
Changes during Term in Review		
Distribution of Retained Earnings	(16,982)	(19,975)
Net Income	16,294	21,012
Acquisition of Treasury Stock	(6,546)	(6,829)
Disposal of Treasury Stock	472	388
Total Changes during Term in Review	(6,761)	(5,404)
Balance at End of Term in Review	343,148	337,744
Valuation/Translation Gains or Losses		
Net Unrealized Gains or Losses on Securities		
Balance at End of Previous Term	5,180	319
Changes during Term in Review		
Changes during Term Not Related to Shareholders' Equity (Net)	(4,860)	614
Total Changes during Term in Review	(4,860)	614
Balance at End of Term in Review	319	934
Total Valuation/Translation Gains or Losses		
Balance at End of Previous Term	5,180	319
Changes during Term in Review		
Changes during Term Not Related to Shareholders' Equity (Net)	(4,860)	614
Total Changes during Term in Review	(4,860)	614
Balance at End of Term in Review	319	934
Stock Acquisition Rights		
Balance at End of Previous Term	153	255
Changes during Term in Review		
Changes during Term Not Related to Shareholders' Equity (Net)	102	174
Total Changes during Term in Review	102	174
Balance at End of Term in Review	255	430
Total Net Assets		
Balance at End of Previous Term	355,244	343,724
Changes during Term in Review		
Distribution of Retained Earnings	(16,982)	(19,975)
Net Income	16,294	21,012
Acquisition of Treasury Stock	(6,546)	(6,829)
Disposal of Treasury Stock	472	388
Changes during Term Not Related to Shareholders' Equity (Net)	(4,758)	789
Total Changes during Term in Review	(11,520)	(4,615)
Balance at End of Term in Review	343,724	339,108

(4) Note on assumptions for going concern
Not applicable

(5) Note related to Non-Consolidated Financial Statements
(Important subsequent event)
At its meeting held on April 28, 2010, the Board of Directors passed the following resolutions.

(1) Retirement of treasury stock
The Board of Directors passed a resolution to retire treasury stock pursuant to Article 178 of the Company Law. The details are as outlined below.

(1) Type of shares to be retired	Common Stock
(2) Number of shares to be retired	10,000,000 (equivalent to 2.43% of total shares outstanding prior to retirement)
(3) Retirement date	May 21, 2010

After the aforementioned retirement, the Company will have a total of 400,000,000 shares outstanding.

(2) Issue of domestic unsecured straight bonds
The Board of Directors passed a resolution to issue unsecured domestic straight bonds. The details are as outlined below.

(1) Total amount of issue	Maximum of ¥40.0 billion (however, multiple issues are possible within this total amount)
(2) Payment amount	¥100 for each ¥100 bond issued
(3) Interest rate	The distribution rate for domestic bonds having maturity more or less the same as the redemption period plus no more than 0.5%
(4) Term	Maximum of five years
(5) Redemption method	Lump payment upon maturity
(6) Period of issue	From the date of the Board of Directors' resolution through September 30, 2010
(7) Application of funds procured	Repayment of debt, etc.

The Company made bank borrowings totaling ¥100 billion for the acquisition of Bare Escentuals, Inc. The Company plans to use the aforementioned bond issue to repay part of such borrowings, with the remainder to be converted to long-term bank borrowings.

Outline of Business and Changes of Main Financial Data

1. Outline of business:

The Shiseido Group, which consists of Shiseido Company, Limited (the "Company"), 99 subsidiaries (97 consolidated subsidiaries and two non-equity method non-consolidated subsidiaries) and 17 affiliates (three equity method affiliates and 14 non-equity method affiliates) (as of March 31, 2010), are mainly engaged in production and sale of cosmetics, cosmetic accessories, toiletries, beauty salon products, health & beauty foods and over-the-counter drugs, as well as research and development related to its business activities and other services.

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2. Changes of main financial data:

(1) Consolidated financial data:

Business Term	105th	106th	107th	108th	109th
Month of Settlement of Accounts	March 2005	March 2006	March 2007	March 2008	March 2009
Net Sales (¥ million)	639,828	670,957	694,594	723,484	690,256
Operating Income (¥ million)	-	-	-	63,465	49,914
Ordinary Income (¥ million)	30,574	42,161	53,465	65,088	52,061
Net Income (Loss) (¥ million)	(8,856)	14,435	25,293	35,459	19,373
Net Assets (¥ million)	359,003	373,899	403,796	399,738	351,951
Total Assets (¥ million)	701,094	671,841	739,832	675,864	606,568
Net Assets per Share (¥)	866.46	906.11	940.79	946.22	839.89
Net Income (Loss) per Share (¥)	(21.50)	34.42	60.89	86.05	48.04
Fully Diluted Net Income per Share (¥)	-	34.37	60.71	85.74	47.96
Operating Profitability (%)	-	-	-	8.8	7.2
Equity Ratio (%)	51.2	55.7	52.5	56.6	55.6
Return on Equity (%)	(2.4)	3.9	6.6	9.2	5.4
Price-Earnings Ratio (times)	-	63.6	39.3	30.6	29.9
Cash Flows from Operating Activities (¥ million)	52,433	21,812	69,431	75,307	42,767
Cash Flows from Investing Activities (¥ million)	(24,900)	(12,640)	(18,482)	(5,802)	(28,157)
Cash Flows from Financing Activities (¥ million)	17,421	(29,959)	1,836	(95,882)	(32,283)
Cash and Cash Equivalents at End of Year (¥ million)	108,280	89,014	145,259	120,393	91,857
Number of Employees [plus, Average Number of Temporary Employees] (person)	24,184 [12,044]	25,781 [12,274]	27,460 [12,177]	28,793 [11,213]	28,810 [11,274]

(Notes) 1. Net sales do not include consumption taxes, etc.

2. Fully diluted net income per share for the year ended March 31, 2005 was not entered since net loss was accounted for.

3. The price-earnings ratio for the year ended March 31, 2005 was not entered since net loss was accounted for.

4. Effective from the year ended March 31, 2007, the Company applied the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (the Accounting Standards Board of Japan ("ASBJ") Statement No.5) and the "Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No.8) to calculate net assets.

5. As operating income and operating profitability were determined to be entered as from the year ended March 31, 2008, those not publicized for the prior business tyears are not entered.

(2) Financial data of the Company:

Business Term	105th	106th	107th	108th	109th
Month of Settlement of Accounts	March 2005	March 2006	March 2007	March 2008	March 2009
Net Sales (¥ million)	243,032	252,663	282,091	273,158	264,511
Ordinary Income (¥ million)	17,419	18,801	28,891	31,031	26,564
Net Income (¥ million)	746	8,186	16,749	23,819	16,294
Common Stock (¥ million)	64,506	64,506	64,506	64,506	64,506
Common Shares Issued and Outstanding(thousand shares)	424,562	424,562	424,562	410,000	410,000
Net Assets (¥ million)	371,598	375,638	375,317	355,244	343,724
Total Assets (¥ million)	540,267	536,833	559,407	491,009	481,137
Net Assets per Share (¥)	896.87	910.44	909.00	878.49	855.44
Cash Dividends per Share (Interim Dividend per Share) (¥)	24.00 (11.00)	30.00 (15.00)	32.00 (16.00)	34.00 (17.00)	50.00 (25.00)
Net Income per Share (¥)	1.78	19.53	40.60	58.42	40.41
Fully Diluted Net Income per Share (¥)	1.77	19.50	40.48	58.21	40.34
Equity Ratio (%)	68.8	70.0	67.1	72.3	71.4
Return on Equity (%)	0.2	2.2	4.5	6.5	4.7
Price-Earnings Ratio (times)	794.9	112.1	59.0	45.1	35.5
Payout Ratio (%)	1,348.3	153.6	78.8	58.2	123.7
Number of Employees [plus, Average Number of Temporary Employees] (person)	3,180 [1,389]	3,227 [1,318]	3,344 [1,426]	3,497 [1,616]	3,500 [1,780]

(Notes) 1. Net sales do not include consumption taxes, etc.

2. Effective from the year ended March 31, 2007, the Company applied the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (the Accounting Standards Board of Japan ("ASBJ") Statement No.5) and the "Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No.8) to calculate net assets.