The figures for these Financial Statements are prepared in accordance with the accounting principles based on Japanese law. Accordingly, they do not necessarily match the figures in the Annual Report issued by the Company, which present the same statements in a form that is more familiar to foreign readers through certain reclassifications or summarization of accounts.

Consolidated Settlement of Accounts for the First Quarter of the Fiscal Year Ending December 31, 2015 [Japanese Standards]

Shiseido Company, Limited

Listings: Tokyo Stock Exchange, First Section (Code Number: 4911)
URL: http://www.shiseidogroup.com/
Representative: Masahiko Uotani, Representative Director, President and CEO
Contact: Tetsuaki Shiraiwa, General Manager, Investor Relations Department
Tel. +81-3-3572-5111

Filing date of quarterly securities report: August 6, 2015 (plan)
Start of cash dividend payments (plan): —
Supplementary quarterly materials prepared:Yes (Supplementary information will be uploaded to the corporate website on Friday, July 31, 2015)
Quarterly results information meeting held: Yes (for institutional investors, analysts, etc.)

1. Performance for the First Quarter of the Fiscal Year Ending December 31, 2015 (From April 1–June 30, 2015)

* Amounts under one million yen have been rounded down.

(1) Consolidated Operating Results

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

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent
First Quarter Ended June 30, 2015	202,310 [+20.2%]	13,046 [+857.6%]	13,561 [+840.6%]	3,677 [—]
First Quarter Ended June 30, 2014	168,377 [+3.7%]	1,362 [–80.2%]	1,441 [–80.9%]	(1,780) [—]

Note: Comprehensive income
First quarter ended June 30, 2015: ¥2,555 million [—%]
First quarter ended June 30, 2014: ¥–9,487 million [—%]

	Net Earnings per Share (Yen)	Fully Diluted Net Earnings per Share (Yen)
First Quarter Ended June 30, 2015	9.22	9.20
First Quarter Ended June 30, 2014	(4.47)	—

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio
As at June 30, 2015	802,565	408,008	47.9%
As at March 31, 2015	823,636	409,369	47.0%

[Reference] Equity:
As at June 30, 2015: ¥384,701 million
As at March 31, 2015: ¥386,860 million

2. Cash Dividends

	Cash Dividends per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Year-End	Full Year
Fiscal Year Ended March 31, 2015	—	10.00	—	10.00	20.00
Fiscal Year Ending December 31, 2015	—				
Fiscal Year Ending December 31, 2015 (plan)		10.00	—	10.00	20.00

Note: Revision to dividend forecast during period: None

3. Projections for the Fiscal Year Ending December 31, 2015 (April 1–December 31, 2015)

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

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Earnings per Share (Yen)
First Half Ending Sep. 2015	412,000 [+12.7%]	10,000 [–8.5%]	11,000 [–4.4%]	1,500 [-93.9%]	3.76
Fiscal Year Ending Dec. 2015	765,000 [—]	30,000 [—]	30,500 [—]	11,000 [—]	27.57

Note: Revisions to the most recently disclosed projections: Yes
At the Ordinary General Meeting of Shareholders on June 23, 2015, the "Partial Amendments to the Articles of Incorporation" were approved, changing the fiscal year-end from March 31 to December 31 from the fiscal year ending December 31, 2015. For the Company and subsidiaries with March 31 fiscal year-ends, therefore, fiscal 2015 will be the nine-month period from April 1 to December 31, 2015. The fiscal periods for subsidiaries with December 31 fiscal year-ends will remain unchanged (January 1–December 31, 2015).

[Reference]
Percentage figures below (adjusted % increase/decrease) represent year-on-year changes based on adjusted figures for the nine-month period (April 1–December 31, 2014) for the Company and subsidiaries with March 31 fiscal year-ends.

(Millions of yen)

Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent
765,000 [+12.9%]	30,000 [+41.3%]	30,500 [+33.7%]	11,000 [-60.0%]

Notes

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

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

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

Note: For more information, please refer to "2. (3) Changes in Accounting Policies; Changes in Accounting Estimates; Restatements" on page 8.

(4) Shares outstanding (common stock) at term-end
1) Number of shares outstanding (including treasury stock)
First quarter ended June 30, 2015: 400,000,000
Fiscal year ended March 31, 2015: 400,000,000
2) Number of treasury stocks outstanding
First quarter ended June 30, 2015: 985,219
Fiscal year ended March 31, 2015: 1,173,894
3) Average number of shares over period
First quarter ended June 30, 2015: 398,926,651
First quarter ended June 30, 2014: 398,643,947

Implementation status of quarterly audit review procedures
At the time of disclosure of this report, review audit procedures for quarterly financial statements pursuant to the Financial Instruments and Exchange Act had not been completed.

Appropriate use of business forecasts; other special items
In this report, statements other than historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements. Please refer to "1. (2) Consolidated Forecasts and Other Forward-Looking Information" on page 7 for information on preconditions underlying the above outlook and other related information.

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1. Analysis of Operating Results

(1) Consolidated Performance

In the first quarter under review (three-month period from April 1 to June 30, 2015), the Japanese economy continued its modest recovery, underpinned by government economic measures, and personal consumption showed signs of rebounding. Similarly, the Japanese cosmetics market was characterized by a continued, gradual recovery, benefiting from a rise in inbound demand from an increased number of foreign tourists. Overseas cosmetics markets are closely linked with economic conditions in their respective regions. In Europe, the market remained at the same level as the previous fiscal year, while the Americas, China and Asia enjoyed favorable growth. (For overseas subsidiaries, the "first quarter" refers to the period from January 1 to March 31, 2015.)

In this environment, in December 2014 we announced VISION 2020, the medium- and long-term strategy for building a foundation enabling us to remain vital for the next 100 years. This vision makes all activity from a consumer orientation, and strives to rebuild the brand value. In fiscal 2015, we will further reinforce marketing activities from a consumer orientation, reforming our organization to respond to changes in consumers, among other measures, resolving the issues identified in the preceding fiscal year.

As a result, we posted consolidated net sales of ¥202.3 billion, up 20.2% year on year. Sales in the Japan Business rose 15.0%, to ¥82.6 billion. In addition to a rebound from the slump in the first quarter of the previous year, when sales were sluggish in reaction to the consumption tax hike, we began seeing some success in brand innovation initiatives ongoing from the previous fiscal year, and growing inbound sales contributed. In the Global Business, in China we continued with structural reforms introduced in the previous fiscal year, which included steady increases in e-commerce and sales of ***clé de peau BEAUTÉ***. In Asia, the travel retail business and sales of ***ULTIMUNE*** within the global brand of ***SHISEIDO*** continued to grow. In the Americas, sales of ***NARS*** and ***bareMinerals*** were favorable, as were sales of fragrances in Europe. As a result, performance was up in all geographic regions. The Global Business segment posted a 13.6% year-on-year increase in local-currency terms. After translation into yen, segment sales were up 22.9%, to ¥113.8 billion. Sales in the Others segment surged 49.0%, to ¥5.9 billion, with particularly favorable performance by The Ginza, a subsidiary, as growing inbound demand pushed up sales of cosmetics at tax-free shops in domestic airports.

Operating income rose 857.6%, to ¥13.0 billion, owing to an increase in the marginal gain stemming from higher sales. Net Income attributable to owners of parent amounted to ¥3.7 billion, as tax expenses increased due to a smaller tax benefit related to the elimination of unrealized earnings.

[Consolidated Performance]

(Sales) (Millions of yen)

	First Quarter Ended June 2015	Share of Total	First Quarter Ended June 2014	Share of Total	Year-on-Year Increase/Decrease		
					Amount	change	change in local currency terms
Japan Business	82,636	40.8%	71,855	42.7%	10,780	+15.0%	+15.0%
Global Business	113,806	56.3%	92,582	55.0%	21,224	+22.9%	+13.6%
Others	5,867	2.9%	3,939	2.3%	1,928	+49.0%	+49.0%
Sales Total	202,310	100.0%	168,377	100.0%	33,933	+20.2%	+15.0%
Domestic Sales	92,031	45.5%	79,537	47.2%	12,494	+15.7%	+15.6%
Overseas Sales	110,279	54.5%	88,839	52.8%	21,439	+24.1%	+14.5%

(Income)

	First Quarter Ended June 2015	Ratio to Net Sales*	First Quarter Ended June 2014	Ratio to Net Sales*	Year-on-Year Increase/Decrease	
					Amount	change
Japan Business	9,053	10.6%	4,027	5.4%	5,025	+124.8%
Global Business	2,301	2.0%	(3,459)	-3.7%	5,761	—
Others	1,684	18.3%	795	11.0%	888	+111.7%
Elimination/Corporate	7	—	(0)	—	8	—
Operating Income Total	13,046	6.4%	1,362	0.8%	11,684	+857.6%
Ordinary Income	13,561	6.7%	1,441	0.9%	12,119	+840.6%
Net Income (Loss) Attributable to Owners of Parent	3,677	1.8%	(1,780)	-1.1%	5,458	—

Notes: 1. Percentages of sales include intersegment transactions.

2. Effective from the fiscal year ending December 2015, the Company has partially reorganized its business segment classification method, ahead of a new organizational system to start in the fiscal year ending December 2016. Under the revision of reportable segments, the “Domestic Cosmetics Business” and “Global Business” segments became the “Japan Business” and “Global Business” segments. Some subsidiaries, previously classified under the “Domestic Cosmetics Business” segment, are reclassified under the “Global Business” or “Others” segment. Also, the method of allocating certain expenses has been revised in order to more accurately ascertain the operating performance of individual segments. Results for the first three months of the preceding fiscal year have been adjusted to the post-revision classification and allocation methods.

(2) Consolidated Forecasts and Other Forward-Looking Information

In light of its performance in the first quarter under review, as well as foreign exchange trends and other factors, we have revised our consolidated forecasts for the first half ending September 30, 2015, and the full fiscal year (previous forecasts announced on April 27, 2015), as shown in the table below. For the first half, the forecasts are based on exchange rates of ¥120 per U.S. dollar, ¥134 per euro, and ¥19.3 per Chinese yuan.

The Company has changed its fiscal year-end from March 31 to December 31 from the fiscal year ending December 31, 2015. For the Company and subsidiaries with March 31 fiscal year-ends, therefore, fiscal 2015 will be the nine-month period from April 1 to December 31, 2015. The fiscal periods for subsidiaries with December 31 fiscal year-ends will remain unchanged (January 1–December 31, 2015).

Revised Consolidated Forecasts for First Half of the Fiscal Year Ending December 31, 2015

(April 1–September 30, 2015) (Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Earnings per Share (yen)
Previous Forecast (A)	390,000	3,000	3,000	(3,500)	(8.78)
Revised Forecast (B)	412,000	10,000	11,000	1,500	3.76
Change (B–A)	22,000	7,000	8,000	5,000	
Percentage Change	+5.6%	+233.3%	+266.7%	—	
Previous Result for the First Half of Fiscal Year Ended March 31, 2015	365,678	10,932	11,512	24,629	61.78

Revised Consolidated Forecasts for the Fiscal Year Ending December 31, 2015

(April 1–December 31, 2015) (Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Earnings per Share (yen)
Previous Forecast (A)	730,000	28,000	28,000	10,000	25.07
Revised Forecast (B)	765,000	30,000	30,500	11,000	27.57
Change (B–A)	35,000	2,000	2,500	1,000	
Percentage Change	+4.8%	+7.1%	+8.9%	+10.0%	
Previous Result for the Fiscal Year Ended March 31, 2015	777,687	27,613	29,239	33,668	84.44
Previous Result for the Fiscal Year Ended March 31, 2015 (Adjusted)	677,457	21,234	22,814	27,523	69.04

Note: Figures for "Fiscal Year Ended March 31, 2015 (Adjusted)" have been adopted to the nine-month period (April 1–December 31, 2014) for the Company and subsidiaries with March 31 fiscal year-ends.

2. Summary (Note) Information

(1) Significant Changes in Subsidiaries
Not applicable.

(2) Special Accounting Treatment Adopted
Not applicable.

(3) Changes in Accounting Policies; Changes in Accounting Estimates; Restatements
(Change in Accounting Policies)

The Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013) and the "Accounting Standard for Business Divestures" (ASBJ Statement No. 7, September 13, 2013) from the first quarter under review, causing differences resulting from changes in the Company's ownership of subsidiaries of which ownership continues to be recorded in capital surplus and changing the method of recording acquisition-related expenses in the fiscal year in which such expenses are incurred. Also, for corporate combinations occurring after the beginning of the first quarter under review, the allocation of acquisition costs determined under provisional accounting treatment have been revised, reflecting such cost in the consolidated quarterly financial statements for the consolidated quarterly financial period to which the business combination date belongs. Furthermore, the presentation of quarterly net income has been changed, and the presentation of minority interests has been changed to non-controlling interests. The consolidated quarterly financial statements for the first quarter of the preceding fiscal year and the consolidated financial statements for the previous fiscal year have been revised to reflect these changes in presentation.

With regard to application of the Accounting Standard for Business Combinations, etc., as Clause 58-2 (4) of the Accounting Standard for Business Combinations, Clause 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Clause 57-4 (4) of the Accounting Standard for Business Divestures stipulate transitional treatment, these standards will be applied going forward from the beginning of the first quarter under review.

These adoptions had no impact on the consolidated quarterly financial statements for the first quarter under review.

(Reference) Overseas Sales

(Millions of yen)

	First Quarter Ended June 2015	Share of Net Sales	First Quarter Ended June 2014	Share of Net Sales	Year-on-Year Increase/Decrease		
					Amount	change	change in local currency terms
China	31,319	15.5%	24,716	14.7%	6,602	+26.7%	+12.8%
Asia (Note)	16,397	8.1%	13,464	8.0%	2,932	+21.8%	+12.5%
Americas	36,342	18.0%	26,803	15.9%	9,538	+35.6%	+19.0%
Europe	26,220	12.9%	23,855	14.2%	2,365	+9.9%	+12.4%
Overseas Sales	110,279	54.5%	88,839	52.8%	21,439	+24.1%	+14.5%

Note: Excluding China

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As at March 31, 2015	As at June 30, 2015
ASSETS		
Current Assets:		
Cash and Time Deposits	103,603	105,251
Notes and Accounts Receivable	131,951	120,426
Short-Term Investments in Securities	18,266	17,099
Inventories	106,696	112,865
Deferred Tax Assets	32,240	24,073
Other Current Assets	24,046	25,897
Less: Allowance for Doubtful Accounts	(1,733)	(1,619)
Total Current Assets	415,069	403,994
Fixed Assets:		
Property, Plant and Equipment:		
Buildings and Structures	163,777	162,621
Less: Accumulated Depreciation	(101,389)	(101,557)
Buildings and Structures, Net	62,388	61,063
Machinery, Equipment and Vehicles	86,840	86,038
Less: Accumulated Depreciation	(72,784)	(72,147)
Machinery, Equipment and Vehicles, Net	14,056	13,890
Tools, Furniture and Fixtures	79,683	78,673
Less: Accumulated Depreciation	(54,892)	(55,429)
Tools, Furniture and Fixtures, Net	24,790	23,244
Land	30,256	30,244
Lease Assets	6,678	7,211
Less: Accumulated Depreciation	(2,935)	(3,244)
Leased Assets, Net	3,743	3,967
Construction in Progress	1,752	1,647
Total Property, Plant and Equipment	136,986	134,058
Intangible Assets:		
Goodwill	64,453	63,047
Leased Assets	635	629
Trademarks	58,005	57,875
Other Intangible Assets	44,027	42,841
Total Intangible Assets	167,121	164,393
Investments and Other Assets:		
Investments in Securities	29,234	28,568
Long-Term Prepaid Expenses	12,842	12,551
Deferred Tax Assets	37,960	34,209
Other Investments	24,483	24,851
Less: Allowance for Doubtful Accounts	(62)	(63)
Total Investments and Other Assets	104,458	100,118
Total Fixed Assets	408,567	398,570
Total Assets	823,636	802,565

(Millions of yen)

	As at March 31, 2015	As at June 30, 2015
LIABILITIES		
Current Liabilities:		
Notes and Accounts Payable	34,460	34,894
Electronically Recorded Obligations - Operating	25,980	29,628
Short-Term Debt	27,187	4,766
Commercial Papers	602	3,006
Current Portion of Bonds Payable	40,000	—
Current Portion of Long-Term Debt	5,952	5,943
Lease Obligations	1,873	1,965
Other Payables	35,329	30,861
Accrued Income Taxes	16,210	9,734
Reserve for Sales Returns	15,101	13,085
Accrued Bonuses for Employees	17,012	9,946
Accrued Bonuses for Directors	182	15
Provision for Liabilities and Charges	649	498
Provision for Structural Reforms	10	8
Deferred Tax Liabilities	39	34
Other Current Liabilities	44,788	40,421
Total Current Liabilities	265,381	184,813
Long-Term Liabilities:		
Bonds	—	30,000
Long-Term Debt	28,831	61,338
Lease Obligations	2,450	2,542
Liability for Retirement Benefits	77,704	76,610
Allowance for Losses on Guarantees	350	350
Allowance for Environmental Measures	395	395
Provision for Structural Reforms	1,005	1,002
Deferred Tax Liabilities	33,198	33,145
Other Long-Term Liabilities	4,949	4,360
Total Long-Term Liabilities	148,885	209,743
Total Liabilities	414,267	394,556
NET ASSETS		
Shareholders' Equity:		
Common Stock	64,506	64,506
Capital Surplus	70,258	70,258
Retained Earnings	218,757	218,391
Treasury Stock	(2,214)	(1,859)
Total Shareholders' Equity	351,308	351,297
Accumulated Other Comprehensive Income:		
Unrealized Gains (Losses) on Available-for-Sale Securities	6,443	8,237
Foreign Currency Translation Adjustments	48,544	44,831
Accumulated Adjustments for Retirement Benefits	(19,435)	(19,665)
Total Accumulated Other Comprehensive Income	35,552	33,403
Stock Acquisition Rights	1,043	875
Non-Controlling Interests	21,465	22,431
Total Net Assets	409,369	408,008
Total Liabilities and Net Assets	823,636	802,565

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

Consolidated Quarterly Statements of Income Cumulative for First Quarter

(Millions of yen)

	First Quarter Ended June 30, 2014	First Quarter Ended June 30, 2015
Net Sales	168,377	202,310
Cost of Sales	39,432	48,473
Gross Profit	128,945	153,836
Selling, General and Administrative Expenses	127,582	140,790
Operating Income	1,362	13,046
Other Income		
Interest Income	261	265
Dividend Income	284	334
Equity in Earnings of Affiliates	15	33
Rental Income	252	230
Subsidy Income	1	2
Foreign Exchange Gain	—	77
Other	213	200
Total Other Income	1,028	1,145
Other Expenses		
Interest Expense	363	232
Foreign Exchange Loss	236	—
Other	348	398
Total Other Expenses	948	630
Ordinary Income	1,441	13,561
Extraordinary Income		
Gain on Transfer of Business	332	—
Gain on Sales of Property, Plant and Equipment	777	15
Gain on Sales of Investments in Securities	0	2,340
Total Extraordinary Income	1,111	2,355
Extraordinary Losses		
Impairment Loss	—	2
Structural Reform Expenses	202	—
Loss on Disposal of Property, Plant and Equipment	228	369
Loss on Sales of Investments in Securities	17	0
Total Extraordinary Losses	447	372
Income before Income Taxes	2,105	15,544
Income Taxes – Current	1,724	1,821
Income Tax –Deferred	1,247	9,148
Total Income Taxes	2,971	10,970
Net Income (Loss)	(866)	4,574
Net Income Attributable to Non-Controlling Interests	913	896
Net Income (Loss) Attributable to Owners of Parent	(1,780)	3,677

Consolidated Statements of Comprehensive Income
Cumulative for First Quarter

(Millions of yen)

	First Quarter Ended June 30, 2014	First Quarter Ended June 30, 2015
Net Income (Loss)	(866)	4,574
Other Comprehensive Income		
Unrealized Gains (Losses) on Available-for-Sale Securities	299	1,818
Foreign Currency Translation Adjustments	(9,592)	(3,560)
Adjustment for Retirement Benefits	682	(228)
Share of Other Comprehensive Income of Entities Accounted for Under the Equity Method	(9)	(48)
Total Other Comprehensive Income	(8,620)	(2,018)
Comprehensive Income	(9,487)	2,555
(Breakdown)		
Comprehensive Income Attributable to Owners of Parent	(9,504)	1,529
Comprehensive Income Attributable to Non-Controlling Interests	17	1,026

(3) Notes Concerning Consolidated Quarterly Financial Statements

(Note on Assumptions for Going Concern)
Not applicable.

(Note in the Event of Major Changes in Shareholders' Equity)
Not applicable.

(Segment Information)
I First Quarter of Fiscal 2014 (April 1–June 30, 2014)

1. Sales and Income/Loss by Reportable Segment

(Millions of yen)

	Japan Business	Global Business	Others (Note 1)	Subtotal	Adjustment (Note 2)	Total Shown in Consolidated Financial Statements (Note 3)
Net Sales						
(1) Sales to Outside Customers	71,855	92,582	3,939	168,377	—	168,377
(2) Intersegment Sales or Transfers	2,214	600	3,321	6,136	(6,136)	—
Total	74,070	93,183	7,260	174,513	(6,136)	168,377
Segment Income (Loss)	4,027	(3,459)	795	1,362	(0)	1,362

Notes: 1. "Others" includes businesses not included in the reportable segments. These include certain cosmetics sales subsidiaries, the frontier science business (production and sale of cosmetic raw materials, medical-use drugs, medical cosmetics, precision and analytical equipment, etc.) and the restaurant business, etc.
2. The Segment Income (Loss) adjustment refers to intersegment transaction eliminations amounting to a negative ¥0 million.
3. Segment income (Loss) is adjusted for Operating Income described in the Consolidated Quarterly Statements of Income.

2. Information on impairment loss, goodwill, etc. on fixed assets by reportable segment

(Major impairment loss on fixed assets)
Not applicable.

(Major change in goodwill)
Not applicable.

II First Quarter of Fiscal 2015 (April 1–June 30, 2015)

1. Sales and Income/Loss by Reportable Segment

(Millions of yen)

	Japan Business	Global Business	Others (Note 1)	Subtotal	Adjustment (Note 2)	Total Shown in Consolidated Financial Statements (Note 3)
Net Sales						
(1) Sales to Outside Customers	82,636	113,806	5,867	202,310	—	202,310
(2) Intersegment Sales or Transfers	2,679	635	3,344	6,659	(6,659)	—
Total	85,316	114,442	9,212	208,970	(6,659)	202,310
Segment Income (Loss)	9,053	2,301	1,684	13,039	7	13,046

Notes: 1. "Others" includes businesses not included in the reportable segments. These include certain cosmetics sales subsidiaries, the frontier science business (production and sale of cosmetic raw materials, medical-use drugs, medical cosmetics, precision and analytical equipment, etc.) and the restaurant business, etc.

2. The Segment Income adjustment refers to intersegment transaction eliminations amounting to ¥7 million.

3. Segment income is adjusted for Operating Income described in the Consolidated Quarterly Statements of Income.

2. Information on impairment loss, goodwill, etc. on fixed assets by reportable segment

(Major impairment loss on fixed assets)

Not applicable.

(Major change in goodwill)

Not applicable.

3. Items related to changes in reportable segments

(Changes in the method of classifying reportable segments)

In line with an internal Group reorganization, the former Domestic Cosmetics Business segment has been revised to the Japan Business segment, and reportable segment classifications have been changed accordingly. Segment information for the first quarter of the preceding fiscal year has been retroactively adjusted to the post-revision classification method.

(Changes in the method of measuring profits or losses of reportable segments)

In addition, from the first quarter under review the method of allocating certain expenses has been revised to allow individual segment operating performance to be determined more accurately. Segment information for the first quarter of the preceding fiscal year has been retroactively adjusted to the post-revision measurement method. As a result, segment income for the first quarter of the fiscal year ended March 31, 2015, was up ¥129 million in the Japan Business segment and down ¥129 million in the Global Business segment. In the first quarter under review, these changes had the effect of increasing income by ¥217 million in the Japan Business segment and reducing income by ¥217 million in the Global Business segment.

(Major Subsequent Event)

Transfer of significant assets and sale of shares in important subsidiaries

On April 9, 2015, BEAUTÉ PRESTIGE INTERNATIONAL S.A. (BPI), a subsidiary of the Company (Shiseido Company, Limited) entered into an agreement (the Agreement) with PUIG, S.L. (Puig) to transfer IP rights of Jean Paul GAULTIER (JPG) regarding fragrance products and other related activities, which BPI has been managing.

1. Reason for the transfer
   BPI has developed and distributed JPG fragrance products since 1991 under a license agreement (the License Agreement) for Class 3 products (cosmetics category) according to International Trademark Classification, the term of which is June 2016. Puig became the majority shareholder of the fashion house Jean Paul GAULTIER in 2011 and wanted to develop and sell JPG fragrances on its own. Accordingly, BPI and Puig entered into the Agreement regarding the transfer of IP rights to JPG fragrances.

2. Name of counterparty to the Agreement
   PUIG, S.L.

3. Summary of properties and assets to be transferred
   IP rights (trademarks, design rights, and copyrights) related to JPG fragrances and shares of Noms de Code S.A.S., which holds some of these IP rights, held by BPI and the Company.

4. Overview of the Agreement
   Agreements to transfer the properties and assets above and an early termination agreement of the License Agreement

5. Signing and closing date
   April 9, 2015 and January 4, 2016 (plan)

6. Transfer price
   IP rights and shares of Noms de Code S.A.S.: €69,500,000
   Extra bonus, which payment will be conditional upon the JPG fragrance's business result in fiscal 2015: Maximum of €20,000,000

7. Effect of the transfer on the Company's financial position, business results, and cash flows
   Items related to the transfer, including gain on sales and compensation for early termination of the License Agreement, are currently being computed.