

Criteria for Independence of External Directors

Shiseido Company, Limited (the “Company”) deems an External Director or a candidate for External Director to have sufficient independence from the Company in the event that all the following requirements, as well as the requirements for externality set forth in the applicable laws, and the criteria for independence stipulated by Tokyo Stock Exchange, Inc., are fulfilled upon the Company’s research to a practically possible and reasonable extent.

1. The person has not been an executive personⁱ of the Company or an affiliated companyⁱⁱ (collectively the “Shiseido Group”) for ten (10) years before taking office and since taking up the post.
2. The person has not fallen under any of the following items for the current fiscal year and the last two (2) fiscal years (collectively the “Relevant Fiscal Years”):
 - 1) A counterparty which has transactions principally with the Shiseido Groupⁱⁱⁱ, or its executive personⁱ;
 - 2) A principal counterparty of the Shiseido Group^{iv}, or its executive personⁱ;
 - 3) A large shareholder who holds directly or indirectly 10% or more of the voting rights of the Company, or its executive personⁱ;
 - 4) An executive personⁱ of a company of which the Shiseido Group holds directly or indirectly 10% or more of the total voting rights;
 - 5) A consultant, accounting professional or legal professional who has been paid by the Shiseido Group a large amount of money or other assets^v in addition to the External Director’s remuneration. In addition, in the event that the consultant, accounting professional or legal professional is an organization such as an artificial person or association, a person who belongs to such organization is included;
 - 6) A person/organization who receives a donation of a large amount of money or other assets^{vi} from the Shiseido Group or an executive personⁱ who belongs to the organization;
 - 7) An accounting auditor of the Company. In the event that the accounting auditor is an artificial person, a partner, certified public accountant, and employed person (e.g., an employee) who is not a certified public accountant belonging to the accounting firm are included.
3. The person is not a spouse of, relative within the second degree of consanguinity of, relative living under the same roof with or a person whose living costs are shared with the following person;
 - 1) An important person^{vii} among executive personsⁱ of the Shiseido Group (including a person who has been an executive person for ten (10) years before the candidate assumes the position of External Director eligible to be judged on independence from the Company and since the candidate took up the post);
 - 2) A person falling under any of Items 1) to 4), and 6) of Clause 2 (including a person having once fallen under any of these items for the Relevant Fiscal Years); however, applicable only to the important person^{vii} with respect to these executive personsⁱ;
 - 3) A person falling under Item 5) of Clause 2 (including a person having once fallen under the item for the Relevant Fiscal Years); however, applicable only to the important person^{viii} with respect to a person belonging to the organization.
 - 4) A person falling under Item 7) of Clause 2 (including a person having once fallen under the item for the Relevant Fiscal Years); however, applicable only to the important person^{viii} among

natural persons falling under Item 7) of Clause 2 in the event that the accounting auditor is an artificial person.

4. The person has not fallen under “Cross-Assumption of Offices of External Director and Audit & Supervisory Board Member^{ix}”
5. In addition to the above clauses, there exist no circumstances in which duties imposed on an independent External Director are reasonably deemed not to be achieved.
6. It is presently expected that any event or matter stated in the above clauses would not occur or exist hereafter.

Notes:

- i. An “executive person” means an executive director, a corporate executive officer (*shikkoyaku*), a corporate officer, an executive officer, or a person in the position equivalent thereto of a stock company, staff executing business of a company divided into interest (*mochibun kaisha*) (in the event of the staff being an artificial person, a person to discharge duties stated in Article 598, paragraph (1) of the Companies Act, or other person equivalent thereto), a person executing business of an artificial person or organization other than a company and an employed person (an employee, etc.) of an artificial person or organization including a company.
- ii. An “affiliated company” means the affiliated company stated in Article 2, paragraph (3), item (xxv) of the Regulation on Corporate Accounting.
- iii. A “counterparty which has transactions principally with the Shiseido Group” means a person/organization falling under any of the following items:
 - 1) The counterparty or the counterparty group (a company belonging to a consolidated group to which the company that has direct transactions with the Shiseido Group belongs to) (collectively the “counterparty”) which provides or provided products or services to the Shiseido Group and the aggregate amount of transactions between the counterparty and the Shiseido Group is more than ¥10 million per fiscal year, and exceeds 2% of consolidated net sales of the counterparty (or if the counterparty does not prepare consolidated financial statements, non-consolidated net sales of the counterparty) for the Relevant Fiscal Years.
 - 2) The counterparty group to which the Shiseido Group is or was indebted and the aggregate amount of indebtedness of the Shiseido Group is more than ¥10 million as at the end of each fiscal year, and exceeds 2% of consolidated total assets of the counterparty (or if the counterparty does not prepare consolidated financial statements, non-consolidated total assets of the counterparty) for the Relevant Fiscal Years.
- iv. A “principal counterparty of the Shiseido Group” means a person/organization falling under any of the following items:
 - 1) The counterparty to which the Shiseido Group provides or provided products or services and the aggregate amount of transactions between the counterparty and the Shiseido Group is more than ¥10 million per fiscal year, and exceeds 2% of consolidated net sales of the Shiseido Group for the Relevant Fiscal Years.
 - 2) The counterparty to which the Shiseido Group has or had account-receivable, advance and account due (collectively “account-receivable”) and the aggregate amount of the account-receivable of the Shiseido Group is more than ¥10 million as at the end of each fiscal year, and exceeds 2% of consolidated total assets of the Shiseido Group as at the end of the Relevant Fiscal Years.
 - 3) A financial institution group (a company belonging to a consolidated group to which the direct

lender belongs) from which the Shiseido Group borrows or borrowed and the aggregate amount of the borrowing exceeds 2% of consolidated total assets of the Shiseido Group as at the end of the Relevant Fiscal Years.

- v. A “large amount of money or other assets” stated in 5) of Clause 2 means, in the case of an individual, a total value exceeding ¥10 million per fiscal year, and in the case of an artificial person or other organization, a total value exceeding ¥10 million per fiscal year, and 2% of the consolidated net sales or gross income of the organization.
- vi. A “large amount of money or other assets” stated in 6) of Clause 2 means a total value exceeding ¥10 million per fiscal year.
- vii. An “important person” from among executive persons means a director (excluding an external director), a corporate executive officer (*shikkoyaku*), a corporate officer, an executive officer, a person in the position equivalent thereto, and an employed person in the office of senior management not lower than general manager.
- viii. An “important person” from among the persons stated in 5) and 7) of Clause 2 above means an officer such as a certified public accountant belonging to an audit corporation or accounting firm, a lawyer (including deemed associates) belonging to a law firm, and a director or councilor belonging to a judicial foundation, incorporated association, incorporated school and other artificial persons (collectively “Various Artificial Person”). In the event that an organization to which a person belongs is not an audit corporation, accounting firm, law firm and Various Artificial Person, it means a person who is deemed objectively and reasonably important equivalent to the persons stated above in this note by the organization.
- ix. “Cross-Assumption of Offices of External Director and Audit & Supervisory Board Member” means that in the event that an executive person¹ of the Shiseido Group serves as an external director or Audit and Supervisory Board member of another company, an executive person¹ of such company is an External Director of the Company or a candidate for the post.

Revised March 26, 2024