

(Translation)

November 10, 2021

Name of Company: Shiseido Company, Limited
 Name of Representative: Masahiko Uotani
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 (Representative Director)
 (Code No. 4911; The First Section of the Tokyo Stock Exchange)
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Notice of Voluntary Adoption of International Financial Reporting Standards (IFRS)

Shiseido Company, Limited (the “Company”) hereby announces that today, its Board of Directors has resolved the voluntary adoption of International Financial Reporting Standards (“IFRS”) for its consolidated financial statements, in lieu of the currently applied Generally Accepted Accounting Principles in Japan (“Japanese GAAP”). The decision has been made in order to enhance the Company’s global business management by unifying accounting standards across the Group and to improve the international comparability of its financial information in the capital markets.

1. Disclosure schedule (planned) for voluntary adoption of IFRS

The Company plans to disclose its consolidated financial statements in accordance with IFRS from the first quarter of the fiscal year ending December 31, 2022. Accounting standards to be applied to disclosure for each accounting period are as follows:

Accounting period	Disclosed materials	Accounting standards
Fiscal year ended December 31, 2021	Consolidated Settlement of Accounts Consolidated Financial Statements Annual Securities Report	Japanese GAAP
First, second, and third quarters of the fiscal year ending December 31, 2022	Consolidated Quarterly Settlements of Accounts Quarterly Securities Reports	IFRS
Fiscal year ended December 31, 2022	Consolidated Settlement of Accounts Consolidated Financial Statements Annual Securities Report	IFRS

2. Adoption of core operating profit

On account of the voluntary adoption of IFRS, the Company will set a new business management KPI instead of operating profit previously disclosed under the Japanese GAAP: core operating profit, which is calculated by deducting any non-recurrent items* from operating profit as stipulated by IFRS.

* Denotes one-time profits or expenses related to structural reforms as well as business reorganization costs, impairment loss, loss on disposal of fixed assets, and other losses resulting from external factors and litigation, which were previously disclosed as extraordinary gains or losses under the Japanese GAAP.

—End of News Release—