August 6, 2025

Consolidated Settlement of Accounts for the Six Months Ended June 30, 2025 [IFRS]

Shiseido Company, Limited

Listings: Tokyo Stock Exchange (Code Number 4911)
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Filing date of semi-annual securities report: August 6, 2025 (plan)
Start of cash dividend payments: September 4, 2025 (plan)
Supplementary materials prepared: Yes
Financial results information meeting held: Yes (for institutional investors and analysts, etc.)

1. Performance for the Six Months Ended June 30, 2025 (From January 1, 2025 to June 30, 2025)

* Amounts less than one million yen have been rounded down.

(1) Consolidated Operating Results

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

	Net Sales	%	Core Operating Profit	%	Operating Profit	%	Profit Before Tax	%	Profit Attributable to Owners of Parent	%	Total Comprehensive Income	%
Six Months Ended June 30, 2025	469,831	[(7.6)]	23,372	[21.3]	18,084	[−]	19,202	[356.4]	9,535	[−]	(15,744)	[−]
Six Months Ended June 30, 2024	508,536	[2.9]	19,272	[(31.3)]	(2,728)	[−]	4,207	[(72.7)]	15	[(99.9)]	55,525	[14.9]

[Reference] Profit

Six months ended June 30, 2025: ¥9,080 million [−%]
Six months ended June 30, 2024: ¥206 million [(98.3)%]

	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Six Months Ended June 30, 2025	23.87	23.86
Six Months Ended June 30, 2024	0.04	0.04

Note: Core operating profit is calculated as operating profit excluding profits or losses incurred by non-ordinary factors (non-recurring items), such as costs and expenses related to structural reforms, impairment losses, acquisitions, etc.
Year-on-Year Increase (Decrease) in Profit and Profit Attributable to Owners of Parent is higher than 1,000%, therefore indicated with a dash (−) in the table.

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent
As of June 30, 2025	1,250,602	634,139	613,940	49.1%
As of December 31, 2024	1,331,848	654,643	632,474	47.5%

2. Cash Dividends

	Cash Dividends per Share (Yen)				
	Q1	Q2	Q3	Year-End	Full Year
Fiscal Year 2024	—	30.00	—	10.00	40.00
Fiscal Year 2025	—	20.00	—		
Fiscal Year 2025 (Forecast)			—	20.00	40.00

Note: Revision to the most recently disclosed dividend forecast: None

3. Forecast for the Fiscal Year Ending December 31, 2025 (From January 1, 2025 to December 31, 2025)

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

	Net Sales		Core Operating Profit		Operating Profit		Profit Before Tax		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
		%		%		%		%		%	
Fiscal Year 2025	995,000	[0.4]	36,500	[0.4]	13,500	78.2	14,500	[—]	6,000	[—]	15.02

Note: Revision to the most recently disclosed performance forecast: None

Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies; changes in accounting estimates
1) Changes in accounting policies required by IFRS: None
2) Other changes in accounting policies: None
3) Changes in accounting estimates: None

(3) Number of shares issued (ordinary shares)
1) Number of shares issued (including treasury shares)

As of June 30, 2025:	400,000,000
As of December 31, 2024:	400,000,000

2) Number of treasury shares

As of June 30, 2025:	475,366
As of December 31, 2024:	576,863

3) Average number of shares outstanding during the period

Six months ended June 30, 2025:	399,443,535
Six months ended June 30, 2024:	399,670,068

This semi-annual financial report is not subject to review procedures by a certified public accountant or audit firm.

Appropriate use of business forecasts; other special items

(Cautionary note concerning forward-looking statements)

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. Summary of Consolidated Financial Results for the Six Months Ended June 30, 2025 (3) Consolidated Forecast and Other Forward-Looking Information" on page 9 for information on preconditions underlying the above outlook and other related information.

Contents

1. Summary of Consolidated Financial Results for the Six Months Ended June 30, 2025

(1) Consolidated Performance

(Millions of yen)

	Net Sales	Core Operating Profit	Operating Profit (Loss)	Profit before Tax	Profit Attributable to Owners of Parent	EBITDA
Six Months Ended June 30, 2025	469,831	23,372	18,084	19,202	9,535	48,540
Six Months Ended June 30, 2024	508,536	19,272	(2,728)	4,207	15	45,471
Year-on-Year Increase (Decrease)	(7.6)%	21.3%	－	356.4%	－	6.7%
FX-Neutral	(6.1)%					
Like-for-Like	(5.8)%					

Notes:
1. Core operating profit is calculated as operating profit excluding profits or losses incurred by non-ordinary factors (non-recurring items), such as costs of structural reforms, impairment losses, acquisition-related costs, etc.
2. EBITDA is calculated by adding depreciation and amortization expenses (excluding depreciation of right-of-use assets) to core operating profit.
3. Like-for-like increase (decrease) in net sales excludes the impacts of foreign exchange translation and all business transfers in the first six months of fiscal year 2025 and 2024 as well as the services provided during the transition period, and the impact of sales prior to the acquisition of *Dr. Dennis Gross Skincare* in the fiscal year 2024 and its corresponding period in the first six months of fiscal year 2025 (“business transfer and acquisition impacts”).
4 Year-on-year increase (decrease) in profit attributable to owners of parent for the first six months of fiscal year 2025 is higher than 1,000%, and therefore indicated with a dash (－) in the table.

During the first six months of fiscal year 2025, the global economy witnessed increased uncertainty amid escalating geopolitical risks and deceleration in the pace of growth coupled with the U.S. tariff situation.

The domestic cosmetics market grew at a moderate pace. While the number of foreign visitors to Japan continued to rise, inbound cosmetics market showed signs of a slowdown amid shifts in consumption behavior of foreign visitors as well as their fading appetite for spending in light of price convergence in domestic and overseas markets due primarily to the appreciation of the Japanese yen.

The overseas cosmetics market continued to face headwinds across all regions. Although China’s cosmetics market started to show signs of recovery, a downward trend in consumption continued throughout the period amid deteriorating economic sentiment, while the duty-free retail market including Hainan island continued to struggle in a challenging environment. Meanwhile, the cosmetics markets in the U.S. and Europe both experienced slower-than-expected growth.

Driven by its corporate mission, BEAUTY INNOVATIONS FOR A BETTER WORLD, the Shiseido Group (the “Group”) actively promotes innovations aiming to resolve social and environmental issues with a focus on diversity, equity and inclusion, and the Company is united in its effort to become a “Personal Beauty Wellness Company,” one that combines skin beauty and wellness to make enduring contributions to the genuine health and beauty of individuals. Together, we remain committed to achieving our vision for 2030: realize a sustainable world where everyone can enjoy a lifetime of happiness through the power of beauty.

In 2023, the Company launched its medium-term strategy “SHIFT 2025 and Beyond” and we have been progressively implementing key strategic actions towards completion of structural reforms, aiming to achieve cost reduction on a global basis, while also rebuilding our organizational structure to realize gross profit maximization. Additionally, the Company launched the “Action Plan 2025-2026” to be executed over the two years in order to better drive a swift recovery in our profitability and ensure sustainable growth thereafter. Under the Action Plan, we are striving to “reinforce brand foundation,” “rebuild profitable foundation,” and “enhance operational governance” to establish a resilient business model and deliver sustainable profit growth amid volatile market conditions. In the first year of the Action Plan, we are in the midst of executing our priority actions towards achieving a core operating profit margin of 7% in 2026.

Net sales in the first six months of fiscal year 2025 decreased 7.6% year-on-year to ¥469.8 billion on a reported basis, down 6.1% year-on-year on a FX-neutral basis, or down 5.8% year-on-year on a like-for-like basis, excluding the impacts of foreign exchange translation, business transfers and acquisitions. Net sales on a like-for-like basis decreased year-on-year, primarily reflecting the weakness in the China & Travel Retail Business due to the lingering impact of subdued consumption on the back of deteriorating economic sentiment, as well as in the Americas Business which suffered ongoing challenges with ***Drunk Elephant***.

Core operating profit increased ¥4.1 billion year-on-year to ¥23.4 billion, which reflected the positive impacts of structural reforms in the Japan Business, as well as global-wide cost management partially offsetting the profit declines in the China & Travel Retail, EMEA, and Americas Businesses. Adjustments increased year on year due primarily to foreign currency fluctuations.

Profit attributable to owners of parent increased ¥9.5 billion year-on-year to ¥9.5 billion, driven primarily by a year-on-year increase in core operating profit as well as a rebound from the recognition of structural reform expenses in non-recurring items mainly associated with the Early Retirement Incentive Plan in the Japan Business in the same period last year.

The EBITDA margin was 10.3%.

The foreign exchange rates for the major currencies applied to accounting line items (income and expense accounts) in the Company’s consolidated financial statements for the first six months of fiscal year 2025 are JPY148.5/USD, JPY162.1/EUR, and JPY20.5/CNY.

Comprehensive income for the first six months of fiscal year 2025 decreased ¥71.3 billion year-on-year, incurring a loss of ¥15.7 billion primarily attributable to the unfavorable impact of exchange differences on translation of foreign operations due to the appreciation of the Japanese yen.

[Consolidated Performance]

(Millions of yen)

Classification		Six Months Ended June 30, 2025	% of Total	Six Months Ended June 30, 2024	% of Total	Year-on-Year Increase (Decrease)			
						Amount	Percentage	FX-Neutral	Like-for-Like
Net Sales	Japan Business	145,872	31.0%	146,750	28.9%	(878)	(0.6)%	(0.6)%	(0.4)%
	China & Travel Retail Business	173,941	37.0%	198,522	39.0%	(24,581)	(12.4)%	(10.1)%	(10.0)%
	Asia Pacific Business	33,663	7.2%	34,447	6.8%	(784)	(2.3)%	(1.0)%	(0.5)%
	Americas Business	51,469	11.0%	57,258	11.3%	(5,789)	(10.1)%	(7.3)%	(9.0)%
	EMEA Business	59,499	12.7%	62,806	12.4%	(3,306)	(5.3)%	(3.9)%	(3.8)%
	Other	5,386	1.1%	8,751	1.7%	(3,364)	(38.4)%	(38.0)%	(25.8)%
	Total	469,831	100.0%	508,536	100.0%	(38,704)	(7.6)%	(6.1)%	(5.8)%

Classification		Total sales including intersegment sales and internal transfers between segments	
		Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net Sales	Japan Business	146,605	147,197
	China & Travel Retail Business	175,463	200,183
	Asia Pacific Business	34,186	34,890
	Americas Business	54,079	59,956
	EMEA Business	62,320	64,637
	Other	6,651	9,702
	Subtotal	479,308	516,568
	Adjustments	(9,476)	(8,031)
	Total	469,831	508,536

(Millions of yen)

Classification		Six Months Ended June 30, 2025	Ratio to Net Sales	Six Months Ended June 30, 2024	Ratio to Net Sales	Year-on-Year Increase (Decrease)	
						Amount	Percentage
Core Operating Profit (Loss)	Japan Business	19,506	13.3%	6,343	4.3%	13,163	207.5%
	China & Travel Retail Business	38,811	22.1%	45,983	23.0%	(7,172)	(15.6)%
	Asia Pacific Business	(129)	(0.4)%	831	2.4%	(961)	—
	Americas Business	(5,830)	(10.8)%	(2,504)	(4.2)%	(3,326)	—
	EMEA Business	(2,557)	(4.1)%	2,085	3.2%	(4,642)	—
	Other	(900)	(13.5)%	162	1.7%	(1,063)	—
	Subtotal	48,899	10.2%	52,901	10.2%	(4,002)	(7.6)%
	Adjustments	(25,526)	—	(33,629)	—	8,102	—
	Total	23,372	5.0%	19,272	3.8%	4,100	21.3%

Notes:

1. From the first six months of fiscal year ending December 31, 2025, the “China Business” and the “Travel Retail Business” have been changed to the “China & Travel Retail Business.” The business results related to the operation of domestic sales by IPSA Co., Ltd. and the operation of sales of health & beauty foods, etc. by healthcare business previously included in the “Other” are now included in the “Japan Business.” The method of calculating profit or loss for reportable segments have been changed. For more details, please refer to “Segment Information, etc.” under “2. Interim Condensed Consolidated Financial Statements and Notes, (5) Notes Concerning Interim Condensed Consolidated Financial Statements.” Segment information for the first six months ended June 30, 2024 has been restated to reflect these changes.
2. Like-for-like increase (decrease) in net sales excludes the impacts of foreign exchange translation, business transfer and acquisition impacts.
3. The “Other” includes the restaurant business, etc.
4. The ratio of core operating profit (loss) to net sales shows core operating profit or loss as a percentage of total sales including intersegment sales and internal transfers between segments.
5. The “Adjustments” in core operating profit (loss) primarily reflects the head office expenses that are not allocated to each reportable segment, the difference between the allocation amount to each reporting segment and the actual amount, cost difference, etc. From the first six months ended June 30, 2025, the head office expenses that were previously recognized in the “Other” are recognized in the “Adjustments.” The expenses are incurred mainly by head office administration departments, R&D, etc.

Results by reportable segment are provided below.

Japan Business

In the Japan Business, we are focusing our activities on high-growth, high-profit brands and products as well as consumer touchpoints to accelerate business growth through the implementation of our business transformation plan “Mirai Shift NIPPON 2025” while steadily increasing profitability by our continued efforts on fixed cost reduction. During the period, we successfully delivered robust growth in core brands led by ***SHISEIDO***, ***Clé de Peau Beauté***, and ***ELIXIR***. We also benefitted from strong performance by a string of products infused with cutting-edge technology, including new ULTIMUNE from ***SHISEIDO*** launched in March this year. On the contrary, while the number of foreign visitors continued to rise, inbound sales in the Japan Business showed signs of a slowdown weighed down by the changes in consumption behavior of foreign visitors as well as their fading appetite for spending in light of price convergence in domestic and overseas markets due primarily to the appreciation of the Japanese yen.

As a result, we ended the period with net sales of ¥145.9 billion, down 0.6% year-on-year on a reported basis, or down 0.4% year-on-year on a like-for-like basis excluding the impacts of business transfers. Core operating profit was ¥19.5 billion with a year-on-year increase of ¥13.2 billion, primarily reflecting the positive impacts of structural reforms.

China & Travel Retail Business

In the China & Travel Retail Business, our business continued to be unfavorably impacted by the decline in consumer spending amid worsening economic sentiment. Nevertheless, we managed to deliver significant growth in the “618” e-commerce promotion in China, buoyed primarily by ***Clé de Peau Beauté*** and ***NARS*** although we continued to face headwinds across offline retail channels. In Travel Retail (sales of cosmetics and fragrances primarily through airport and downtown duty-free stores), we continued to be adversely affected by the weak consumer spending by Chinese tourists in Hainan Island and South Korea, posting a year-on-year revenue decline for the period.

As a result, net sales were ¥173.9 billion, down 12.4% year-on-year on a reported basis, down 10.1% on a FX-neutral basis, or down 10.0% year-on-year on a like-for-like basis excluding the impacts of foreign exchange translation and business transfers. Core operating profit decreased ¥7.2 billion year-on-year to ¥38.8 billion, with the decline in gross profit from lower sales being partially offset by the positive impacts of structural reforms including fixed cost reductions.

Asia Pacific Business

In the countries and regions of the Asia Pacific Business, we achieved growth in Southeast Asia led by Thailand as well as in South Korea, with ***SHISEIDO***, ***Clé de Peau Beauté***, and ***ANESSA*** delivering a year-on-year revenue growth. Overall, however, we posted a year-on-year revenue decline, weighed down by the market contraction in Taiwan.

As a result, net sales were ¥33.7 billion, down 2.3% year-on-year on a reported basis, down 1.0% year-on-year on a FX-neutral basis, or down 0.5% year-on-year on a like-for-like basis excluding the impacts of foreign exchange translation and business transfers. Core operating profit decreased year-on-year by ¥1.0 billion, incurring a loss of ¥0.1 billion owing primarily to the decline in gross profit driven by lower sales and increase in personnel expenses due to inflation.

Americas Business

In the Americas Business, we delivered a year-on-year revenue growth with ***SHISEIDO***, ***Clé de Peau Beauté***, and ***Dr. Dennis Gross Skincare***. On the contrary, ***Drunk Elephant*** continued to experience an ongoing revenue decline from the previous fiscal year.

As a result, net sales were ¥51.5 billion, down 10.1% year-on-year on a reported basis, down 7.3% on a FX-neutral basis, or down 9.0% year-on-year on a like-for-like basis excluding the impacts of foreign exchange translation, business transfers and acquisitions. Core operating profit decreased year-on-year by ¥3.3 billion, incurring a loss of ¥ 5.8 billion owing primarily to a lower gross profit driven by sales decline.

EMEA Business

In the EMEA Business, fragrance brands including ***Zadig&Voltaire*** and ***narciso rodriguez*** continued to deliver strong growth, buoyed by the new product launches. Overall, however, we posted a year-on-year in revenue weighed down by the continued weakness in ***Drunk Elephant*** as well as a rebound from higher revenue delivered in the same period last year lifted by the increased volume of advance shipment prior to a new system implementation.

As a result, net sales were ¥59.5 billion, down 5.3% year-on-year on a reported basis, down 3.9% year-on-year on a FX-neutral basis, or down 3.8% year-on-year on a like-for-like basis excluding the impacts of foreign exchange translation and business transfers. Core operating profit decreased ¥4.6 billion year-on-year, incurring a loss of ¥ 2.6 billion owing primarily to higher marketing investments and a decline in gross profit driven by lower sales.

(2) Financial Position

Total assets decreased by ¥81.2 billion from the end of the previous fiscal year to ¥1,250.6 billion, from a decrease in translated asset amount due to the yen appreciation, a decrease in cash and cash equivalents primarily due to payments of trade and other payables, and a decrease in property, plant and equipment. Liabilities decreased by ¥60.7 billion to ¥616.5 billion, primarily due to a decrease in redemption of bonds. Equity decreased by ¥20.5 billion to ¥634.1 billion, primarily due to a decrease in retained earnings associated with dividend payments and a decrease in exchange differences on translation of foreign operations due to the yen appreciation.

The net debt-to-equity ratio, which indicates the ratio of interest-bearing debt (excluding lease liabilities) less cash and cash equivalents to equity attributable to owners of parent, was 0.20.

(Cash flow analysis)
Cash and cash equivalents at the end of the first six months of fiscal year 2025 stood at ¥81.5 billion, ¥17.0 billion less than the amount of ¥98.5 billion at the beginning of the current fiscal year.

(Cash Flows from Operating Activities)
Net cash provided by operating activities in the first six months of fiscal year 2025 increased by ¥6.3 billion to ¥37.9 billion, primarily due to increase factors such as ¥19.2 billion of "Profit before tax", ¥35.4 billion of "Depreciation and amortization" and ¥12.7 billion of "Decrease (increase) in trade receivables" while there were decrease factors such as ¥28.8 billion of "Increase (decrease) in trade payables".

(Cash Flows from Investing Activities)
Net cash used in investing activities in the first six months of fiscal year 2025 decreased by ¥38.7 billion to ¥20.4 billion, primarily due to the purchase of intangible assets such as investment in IT systems of ¥12.2 billion and the purchase of property, plant and equipment such as investment in factory equipment of ¥10.6 billion.

(Cash Flows from Financing Activities)
Net cash provided by financing activities in the first six months of fiscal year 2025 decreased by ¥37.9 billion to ¥31.4 billion, primarily due to the redemption of bonds of ¥20.0 billion, the repayment of lease liabilities of ¥11.6 billion and the payment of cash dividends of ¥4.0 billion while the increase was due to short-term borrowings of ¥6.1 billion.

Consolidated Statements of Cash Flows (Summary)

(Billions of yen)

Category	Amount
Cash and cash equivalents at beginning of period	98.5
Net cash provided by (used in) operating activities	37.9
Net cash provided by (used in) investing activities	(20.4)
Net cash provided by (used in) financing activities	(31.4)
Effect of exchange rate changes on cash and cash equivalents	(3.0)
Net change in cash and cash equivalents (decrease)	(17.0)
Cash and cash equivalents at end of period	81.5

(3) Consolidated Forecast and Other Forward-Looking Information

We identify some downside risks to achieving our projected net sales for the fiscal year ending December 31, 2025 in light of potential slowdown in the broader beauty market due to increasing uncertainty in the global economy driven by escalating trade frictions, a delayed recovery in ***Drunk Elephant***, as well as a deceleration in inbound tourism consumption in Japan. With respect to core operating profit, however, we remain unwavering in our commitment to achieving the full-year target of ¥36.5 billion in the remainder of the year, by realizing additional benefits through global cost structure reforms ahead of the plan, along with company-wide cost reduction efforts to offset the negative impacts arising from certain risk factors that may exert downward pressures on our earnings, which include a decline in gross profit from lower-than-expected sales as well as the imposition of U.S. tariff policies.

While the operating profit, profit before tax and profit attributable to owners of parent reported for the first six months of fiscal 2025 have already exceeded our full-year forecasts, we reiterate our full-year earnings forecasts for fiscal 2025 as we expect to recognize a large portion of structural reform expenses in non-recurring items in the latter half of the year.

2. Interim Condensed Consolidated Financial Statements and Notes

(1) Interim Condensed Consolidated Statement of Financial Position

	As of December 31, 2024	As of June 30, 2025
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	98,479	81,517
Trade and other receivables	154,305	138,930
Inventories	160,507	150,326
Other financial assets	28,382	25,667
Other current assets	36,125	38,971
Total current assets	477,800	435,413
Non-current assets		
Property, plant and equipment	294,411	284,225
Goodwill	108,013	99,358
Intangible assets	179,390	173,358
Right-of-use assets	104,876	96,104
Investments accounted for using equity method	2,908	2,727
Other financial assets	89,556	86,610
Retirement benefit asset	10,261	9,893
Deferred tax assets	54,782	53,873
Other non-current assets	9,848	9,036
Total non-current assets	854,048	815,188
Total assets	1,331,848	1,250,602

	As of December 31, 2024	As of June 30, 2025
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	152,199	116,707
Bonds and borrowings	107,000	93,109
Lease liabilities	21,223	20,022
Other financial liabilities	6,391	3,903
Income taxes payable	3,413	8,828
Provisions	4,527	6,520
Other current liabilities	103,807	101,022
Total current liabilities	398,562	350,115
Non-current liabilities		
Bonds and borrowings	131,620	131,569
Lease liabilities	103,317	93,251
Other financial liabilities	20,630	18,749
Retirement benefit liability	5,037	5,077
Provisions	1,852	1,679
Deferred tax liabilities	3,640	4,689
Other non-current liabilities	12,544	11,330
Total non-current liabilities	278,642	266,347
Total liabilities	677,205	616,463
Equity		
Share capital	64,506	64,506
Capital surplus	74,138	73,725
Treasury shares	(2,325)	(1,916)
Retained earnings	356,877	363,001
Other components of equity	139,277	114,623
Total equity attributable to owners of parent	632,474	613,940
Non-controlling interests	22,169	20,199
Total equity	654,643	634,139
Total liabilities and equity	1,331,848	1,250,602

(2) Interim Condensed Consolidated Statement of Profit or Loss and Interim Condensed Consolidated Statement of Comprehensive Income

Interim Condensed Consolidated Statement of Profit or Loss
Six Months Ended June 30

	Six months ended June 30, 2024	Six months ended June 30, 2025
	Millions of yen	Millions of yen
Net sales	508,536	469,831
Cost of sales	123,090	106,608
Gross profit	385,446	363,223
Selling, general and administrative expenses	388,607	347,525
Other operating income	1,723	2,829
Other operating expenses	1,290	442
Operating profit (loss)	(2,728)	18,084
Finance income	7,180	3,606
Finance costs	2,070	2,800
Share of profit of investment accounted for using equity method	1,826	312
Profit before tax	4,207	19,202
Income tax expense	4,001	10,122
Profit	206	9,080
Profit attributable to		
Owners of parent	15	9,535
Non-controlling interests	190	(455)
Profit	206	9,080
Earnings per share		
Basic earnings per share (yen)	0.04	23.87
Diluted earnings per share (yen)	0.04	23.86

Interim Condensed Consolidated Statement of Comprehensive Income
Six Months Ended June 30

	Six months ended June 30, 2024	Six months ended June 30, 2025
	Millions of yen	Millions of yen
Profit	206	9,080
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	55	59
Remeasurements of defined benefit plans	(142)	66
Share of other comprehensive income of investments accounted for using equity method	0	—
Total of items that will not be reclassified to profit or loss	(86)	125
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	56,241	(24,792)
Share of other comprehensive income of investments accounted for using equity method	(835)	(158)
Total of items that may be reclassified to profit or loss	55,406	(24,950)
Other comprehensive income, net of tax	55,319	(24,824)
Comprehensive income	55,525	(15,744)
Comprehensive income attributable to		
Owners of parent	53,686	(14,955)
Non-controlling interests	1,838	(789)
Comprehensive income	55,525	(15,744)

(3) Interim Condensed Consolidated Statement of Changes in Equity

Six Months Ended June 30, 2024 (From January 1, 2024 to June 30, 2024)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Exchange differences on transition of foreign operations	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2024	64,506	74,000	(1,591)	380,208	101,624	—
Profit				15		
Other comprehensive income					53,773	40
Total comprehensive income	—	—	—	15	53,773	40
Purchase of treasury shares			(2)			
Disposal of treasury shares			257	(14)		
Dividends				(11,989)		
Share-based payment transactions		(275)		383		
Transfer to retained earnings				(102)		(40)
Other		(2)		(17)		
Total transactions with owners	—	(277)	255	(11,740)	—	(40)
Balance as of June 30, 2024	64,506	73,722	(1,335)	368,483	155,397	—

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity		Total		
	Remeasure-ments of defined benefit plans	Total			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2024	—	101,624	618,748	21,644	640,392
Profit		—	15	190	206
Other comprehensive income	(142)	53,670	53,670	1,648	55,319
Total comprehensive income	(142)	53,670	53,686	1,838	55,525
Purchase of treasury shares		—	(2)		(2)
Disposal of treasury shares		—	243		243
Dividends		—	(11,989)	(1,911)	(13,901)
Share-based payment transactions		—	108		108
Transfer to retained earnings	142	102	—		—
Other		—	(20)	(597)	(618)
Total transactions with owners	142	102	(11,660)	(2,509)	(14,169)
Balance as of June 30, 2024	—	155,397	660,774	20,973	681,748

Six Months Ended June 30, 2025 (From January 1, 2025 to June 30, 2025)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Exchange differences on transition of foreign operations	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2025	64,506	74,138	(2,325)	356,877	139,277	－
Profit				9,535		
Other comprehensive income					(24,653)	96
Total comprehensive income	－	－	－	9,535	(24,653)	96
Purchase of treasury shares			(1)			
Disposal of treasury shares			410	(145)		
Dividends				(3,994)		
Changes in ownership interest in subsidiaries		(16)				
Share-based payment transactions		(397)		603		
Transfer to retained earnings				162		(96)
Other				(37)		
Total transactions with owners	－	(413)	409	(3,411)	－	(96)
Balance as of June 30, 2025	64,506	73,725	(1,916)	363,001	114,623	－

	Equity attributable to owners of parent				
	Other components of equity				
	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2025	－	139,277	632,474	22,169	654,643
Profit		－	9,535	(455)	9,080
Other comprehensive income	66	(24,491)	(24,491)	(333)	(24,824)
Total comprehensive income	66	(24,491)	(14,955)	(789)	(15,744)
Purchase of treasury shares		－	(1)		(1)
Disposal of treasury shares		－	265		265
Dividends		－	(3,994)	(1,219)	(5,213)
Changes in ownership interest in subsidiaries		－	(16)	16	－
Share-based payment transactions		－	206		206
Transfer to retained earnings	(66)	(162)	－		－
Other		－	(37)	22	(15)
Total transactions with owners	(66)	(162)	(3,578)	(1,180)	(4,758)
Balance as of June 30, 2025	－	114,623	613,940	20,199	634,139

(4) Interim Condensed Consolidated Statement of Cash Flows

	Six months ended June 30, 2024	Six months ended June 30, 2025
	Millions of yen	Millions of yen
Cash flows from operating activities:		
Profit before tax	4,207	19,202
Depreciation and amortization	37,453	35,411
Impairment losses (reversal of impairment losses)	78	15
Loss (gain) on disposal of non-current assets	338	1,019
Increase (decrease) in retirement benefit asset or liability	769	419
Interest and dividend income	(3,627)	(3,597)
Interest expenses	1,542	2,284
Share of profit of investments accounted for using equity method	(1,826)	(312)
Decrease (increase) in trade receivables	(7,263)	12,662
Decrease (increase) in inventories	(782)	5,201
Increase (decrease) in trade payables	(29,615)	(28,771)
Increase (decrease) in provisions for structural reform	17,070	2,564
Other	8,171	(5,333)
Subtotal	26,514	40,767
Interest and dividends received	5,261	1,285
Interest paid	(1,356)	(1,919)
Income taxes refund (paid)	1,191	(2,246)
Net cash provided by (used in) operating activities	31,611	37,888
Cash flows from investing activities:		
Payments into time deposits	(14,991)	(12,690)
Proceeds from withdrawal of time deposits	14,339	14,132
Purchase of property, plant and equipment	(11,865)	(10,584)
Proceeds from sales of property, plant and equipment and intangible assets	795	16
Purchase of intangible assets	(12,964)	(12,160)
Payments for acquisition of subsidiaries	(49,106)	—
Proceeds from sale of businesses	1,531	—
Proceeds from sale of shares of associates	12,755	—
Other	441	878
Net cash provided by (used in) investing activities	(59,063)	(20,407)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings and commercial papers	63,472	6,079
Repayments of long-term borrowings	(30,000)	—
Redemption of bonds	—	(20,000)
Purchase of treasury shares	(2)	(1)
Proceeds from disposal of treasury shares	0	0
Dividends paid	(11,987)	(4,009)
Dividends paid to non-controlling interests	(1,395)	(1,611)
Repayments of lease liabilities	(13,330)	(11,587)
Other	(268)	(285)
Net cash provided by (used in) financing activities	6,487	(31,415)
Net decrease in cash and cash equivalents	(20,964)	(13,935)
Cash and cash equivalents at beginning of period	104,685	98,479
Effect of exchange rate changes on cash and cash equivalents	8,136	(3,027)
Cash and cash equivalents at end of period	91,857	81,517

(5) Notes Concerning Interim Condensed Consolidated Financial Statements

(Note on Assumptions of a Going Concern)

Not applicable.

(Impairment test of Goodwill)

The carrying amounts of major goodwill are allocated to each cash-generating unit and goodwill is tested for impairment in each fiscal year, and whenever there is any indication of impairment.

The recoverable amount of each operating segment cash-generating unit is determined at value in use, estimated primarily using discounted cash flows. Value in use is determined by discounting the estimated cash flows based on management-approved five-year business plans to the present value using a discount rate based on the weighted average cost of capital. Business plans reflect management assessments of future trends in the industry as well as past data, and are prepared using the mid-term growth rate, set based on both external and internal information, with factors including sales and profit margin ratio based on sales expansion plans, serving as the basis for calculation. For periods beyond the period covered by the business plan, the terminal value is calculated by discounting the projected pre-tax cash flows to present value using long-term market growth rate determined by taking into account the conditions in the country and industry to which the cash-generating unit belongs.

(Cash-generating unit which shows an indication of impairment)

In Americas Business, as there is an indication of impairment due to decline of its profitability, we have conducted the impairment test at the end of the first six months of fiscal year 2025. As a result of the impairment test conducted as described above, since the recoverable amount exceeds the carrying amount, no impairment losses are recognized.

The carrying amount of goodwill allocated to the Americas Business cash-generating unit is as follows:

	As of December 31, 2024	As of June 30, 2025
	Millions of yen	Millions of yen
Goodwill	58,420	53,623

The key assumptions used in the calculation of the recoverable amount of the Americas Business cash-generating unit are as follows:

	As of December 31, 2024	As of June 30, 2025
Discount rate:	10.9%	11.8%
Mid-term growth rate:	5.2%~7.9%	5.7%~8.9%
Long-term market growth rate:	2.1%	2.2%

Due to the downturn of ***Drunk Elephant*** caused by intensifying competitive environment, weakening customer base, etc., the sales for the six months ended June 30, 2025 are lower than the business plan used for the impairment test performed at the end of the fiscal year 2024, this decline of sales is reflected in the estimated future cash flows when estimating the recoverable amount. However, it is assumed that the sales will return to grow from the third quarter of the fiscal year 2025.

Although the value in use of goodwill is not necessarily greatly impacted by a single year result, if the Americas Businesses' decent recovery cannot be projected, if the recovery period is longer than expected, etc., the value in use can be damaged.

The amount that the recoverable amount of the Americas Business cash-generating unit exceeds its carrying amount, as well as the fluctuation of each key assumption used for calculating the value in use, which brings the recoverable amount to be the same as the carrying amount, are as follows:

The amount that the recoverable amount exceeds the carrying amount	Fluctuation of the key assumptions (Note)		
	Discount rate	Mid-term growth rate	Long-term market growth rate
Millions of yen	%	%	%
14,793	0.7%	(0.4)%	(0.8)%

Note: Each key assumption is assumed to fluctuate evenly throughout the periods used for estimating the recoverable amount, assuming all other assumptions remain unchanged.

As there was no indication of impairment for other cash-generating units apart from the Americas Business, impairment test was not performed at the end of the first six months of fiscal year 2025.

(Segment Information, etc.)

(1) Overview of Reportable Segments

The Group's operating segment is a component whose separate financial data is available and that is regularly reviewed by the management in order to make decisions on allocation of managerial resources and assess business performance.

The Group's main business is the manufacturing and sale of cosmetics and the Group has revised its reportable segment classifications from the "China Business" and the "Travel Retail Business" to the "China & Travel Retail Business" from the six months ended June 30, 2025. The Group engages in business activities under a matrix organization encompassing brand categories based on consumer purchasing style and five regions (Japan, China & Travel Retail, Asia Pacific, Americas, and EMEA). This matrix organization gives the leader in each region broad authority as well as responsibility for sales and profits to ensure flexible decision-making. In specific terms, the Group's five reportable segments, which mainly refer to regions, are the "Japan Business," "China & Travel Retail Business," "Asia Pacific Business," "Americas Business," and "EMEA Business."

The "Japan Business" mainly comprises domestic business by brand category (Prestige, Fragrance, Premium, etc.) and the healthcare business (sale of health & beauty foods as well as over-the-counter drugs, etc.).

The "China & Travel Retail Business" covers business in China and the operation of worldwide duty-free stores by brand category (Prestige, Fragrance, Cosmetics, etc.).

The "Asia Pacific Business" covers business in the Asia and Oceania regions excluding Japan and China by brand category (Prestige, Fragrance, Cosmetics, etc.).

The "Americas Business" covers business in the Americas region by brand category (Prestige, Fragrance, etc.).

The "EMEA Business" covers business in Europe, the Middle East and Africa regions by brand category (Prestige, Fragrance, etc.).

The "Other" includes the restaurant business, etc.

(Changes of reportable segments, etc.)

The Group has revised its reportable segment classifications from the six months ended June 30, 2025. The reportable segment changed from the "China Business" and the "Travel Retail Business" to the "China & Travel Retail Business" due to change in organizational and managerial structures. The business results related to the operation of domestic sales by IPSA Co., Ltd. and the operation of sales of health & beauty foods, etc. by healthcare business previously included in the "Other" is now included in the "Japan Business."

Segment information for the six months ended June 30, 2024 has been restated to reflect the reclassification.

(2) Method to Determine Sales and Profit (Loss) by Reportable Segment

Profit by reportable segments is stated on the basis of core operating profit, which is operating profit (loss) calculated by excluding profits or losses incurred by non-ordinary factors (non-recurring items) such as structural reform expenses, impairment losses, acquisition related costs, etc.

Intersegment transaction pricing and transfer pricing are determined based on prevailing market prices.

(Changes in calculation methods of profit or loss of reportable segments)

From the six months ended June 30, 2025, in order to have better grasp on profitability of each segment, the impacts of intersegment sales and cost of sales which have been adjusted previously according to Shiseido's transfer pricing policy and a part of expenses incurred by head office administration departments (head office expenses) previously reallocated to operating segments are excluded, and the expenses incurred by the brand holders (Note) which have been previously recognized mainly in the "Other" and the "EMEA Business" are reallocated to each segment according to the sales composition of each brand.

Segment information for the six months ended June 30, 2024 has been restated to reflect these changes.

Note: Expenses related to global marketing strategy planning, product development, communication and creative development, brand business management functions, etc.

(3) Segment Revenue and Business Result

Revenue and business results by reportable segment of the Group are as follows.

Six Months Ended June 30, 2024(From January 1, 2024 to June 30, 2024) (Millions of yen)

	Reportable Segment				
	Japan Business	China & Travel Retail Business	Asia Pacific Business	Americas Business	EMEA Business (Note 1)
Net sales					
Sales to external customers	146,750	198,522	34,447	57,258	62,806
Intersegment sales or transfer	447	1,660	443	2,698	1,831
Total	147,197	200,183	34,890	59,956	64,637
Segment profit (loss) i.e. Core operating profit	6,343	45,983	831	(2,504)	2,085

	Other (Note 2)	Total	Adjustments (Note 3)	Consolidation
Net sales				
Sales to external customers	8,751	508,536	—	508,536
Intersegment sales or transfer	950	8,031	(8,031)	—
Total	9,702	516,568	(8,031)	508,536
Segment profit (loss) i.e. Core operating profit	162	52,901	(33,629)	19,272

Note:
1. The “EMEA Business” includes the Middle East and Africa regions.
2. The “Other” includes the restaurant business, etc.
3. The “Adjustments” in core operating profit (loss) primarily reflects the head office expenses that are not allocated to each operating segment (¥(33,851) million), the difference between the allocation amount to each operating segment and the actual amount (¥3,802 million), cost difference (¥(2,448) million), etc. The head office expenses which were included in the “Other,” are included in the “Adjustments” from the six months ended June 30,2025. The expenses are incurred mainly by head office, R&D, etc. The amounts have been restated to reflect these changes.

Six Months Ended June 30, 2025 (From January 1, 2025 to June 30, 2025) (Millions of yen)

	Reportable Segment				
	Japan Business	China & Travel Retail Business	Asia Pacific Business	Americas Business	EMEA Business (Note 1)
Net sales					
Sales to external customers	145,872	173,941	33,663	51,469	59,499
Intersegment sales or transfer	733	1,522	523	2,610	2,821
Total	146,605	175,463	34,186	54,079	62,320
Segment profit (loss) i.e. Core operating profit	19,506	38,811	(129)	(5,830)	(2,557)

	Other (Note 2)	Total	Adjustments (Note 3)	Consolidation
Net sales				
Sales to external customers	5,386	469,831	—	469,831
Intersegment sales or transfer	1,265	9,476	(9,476)	—
Total	6,651	479,308	(9,476)	469,831
Segment profit (loss) i.e. Core operating profit	(900)	48,899	(25,526)	23,372

Note:
1. The “EMEA Business” includes the Middle East and Africa regions.
2. The “Other” includes the restaurant business, etc.
3. The “Adjustments” in core operating profit (loss) primarily reflects the head office expenses that are not allocated to each operating segment (¥(33,767) million), the difference between the allocation amount to each operating segment and the actual amount (¥3,092 million) and cost difference (¥5,349 million), etc. The expenses are incurred mainly by head office, R&D, etc.

Adjustments from segment profit to operating profit (loss) as follows:

	Six months ended June 30, 2024	Six months ended June 30, 2025
	Millions of yen	Millions of yen
Segment profit	19,272	23,372
Structural reform expenses	(20,391)	(4,817)
Impairment losses	(78)	(255)
Reversal of impairment losses	—	239
Gain on sale of non-current assets	697	—
Acquisition-related costs	(302)	(25)
One-time costs related to internal system changes	(1,020)	(18)
Other	(904)	(410)
Operating profit (loss)	(2,728)	18,084

"Structural reform expenses" for the six months ended June 30, 2024 are mainly the costs associated with the early retirement incentive plan as part of the business transformation of Shiseido Japan Co., Ltd. The expenses are included in "Cost of sales," "Selling, general and administrative expenses," and "Other operating expenses" in the interim condensed consolidated statement of profit or loss.

"Structural reform expenses" for the six months ended June 30, 2025 are the costs associated with the "Action Plan 2025-2026" such as the costs for workforce reductions in Americas Business. The expenses are included in "Cost of sales," and "Selling, general and administrative expenses," in the interim condensed consolidated statement of profit or loss.

"Gain on sale of non-current assets" for the six months ended June 30, 2024 is mainly the income arising from the sales of the real estate owned by the Company's subsidiary. The income is included in "Other operating income" in the interim condensed consolidated statement of profit or loss.

"Acquisition-related costs" for the six months ended June 30, 2024 and 2025 are the direct costs associated with the acquisition of DDG Skincare Holdings LLC. The expenses are included in "Selling, general and administrative expenses" in the interim condensed consolidated statement of profit or loss.

"One-time costs related to internal system changes" for the six months ended June 30, 2024 and 2025 are included in "Selling, general and administrative expenses" in the interim condensed consolidated statement of profit or loss.