

2025 First Half Results (January–June)

August 6, 2025

Shiseido Company, Limited

Kentaro Fujiwara

President and CEO

Ayako Hirofuji

Chief Financial Officer

The Shiseido logo, featuring a stylized red 'S' symbol followed by the word 'SHISEIDO' in a bold, red, sans-serif font.

In this document, statements other than historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve risks, uncertainties, and other factors that may cause actual results and achievements to differ from those anticipated in these statements.

Key Highlights of 1H 2025 Results and Full-Year Outlook

- **Steady execution of Action Plan 2025-2026;**
accelerated fixed cost reductions to achieve sustainable profitable growth amid market volatility
 - Japan: significant boost to profitability thanks to structural reform benefits
 - China & Travel Retail: bottomed out, resilient margins amid declining sales
 - Americas: accelerated transformation under the new leadership, yielding additional structural reform benefits of ¥5.0 bn
- **Elevated financial discipline**
 - Core OP: ¥23.4 bn (YoY: +¥4.1 bn): exceeded 1H profit target via global-wide cost management
 - Optimized CAPEX, accelerated asset-light strategies aiming to maximize ROIC
- **Full-year forecasts unchanged**
 - Expect downside risks to achieving sales target amid of challenging market conditions
 - Unwavering commitment to delivering core OP target of ¥36.5 bn via accelerated transformation and global-wide cost management

1H 2025 Executive Summary

| (Billion yen) | 1H 2024 | % of Net Sales | 1H 2025 | % of Net Sales | YoY Change | YoY Change % | YoY FX-Neutral % | YoY LfL % ^{*1} |
|---|---------|----------------|---------|----------------|------------|--------------|------------------|-------------------------|
| Net Sales | 508.5 | 100% | 469.8 | 100% | -38.7 | -8% | -6% | -6% |
| Core Operating Profit | 19.3 | 3.8% | 23.4 | 5.0% | +4.1 | +21% | | |
| Non-recurring Items | -22.0 | -4.3% | -5.3 | -1.1% | +16.7 | - | | |
| Operating Profit | -2.7 | -0.5% | 18.1 | 3.8% | +20.8 | - | | |
| Profit before Tax | 4.2 | 0.8% | 19.2 | 4.1% | +15.0 | +356% | | |
| Income Tax Expense | 4.0 | 0.8% | 10.1 | 2.2% | +6.1 | +153% | | |
| Profit Attributable to Owners of Parent | 0.0 | 0.0% | 9.5 | 2.0% | +9.5 | - | | |
| EBITDA ^{*2} | 45.5 | 8.9% | 48.5 | 10.3% | +3.1 | +7% | | |
| Free Cash Flow | -27.5 | -5.4% | 17.5 | 3.7% | +44.9 | - | | |

Net Sales: YoY LfL%^{*1} -6% Declined YoY weighed down by the weakness in China & Travel Retail and *Drunk Elephant*

Core OP : YoY change +¥4.1 bn Increased via acceleration of effective global-wide cost management, structural reform benefits

Non-recurring Items : 1H 2025 -¥5.3 bn Recognized -¥3.0 bn for structural reform expenses associated with workforce reduction in Americas; Full-year target of -¥23.0 bn more heavily weighted in 2H 2025

Free Cash Flow : 1H 2025 ¥17.5 bn Turned positive driven by higher profit before tax; acquisition-related costs reflected in 1H 2024

^{*1} Like-for-like increase (decrease) in net sales excludes the impacts of foreign exchange translation and all business transfers in 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 2024 and its corresponding period in 2025 ("business transfers and acquisitions")

^{*2} Core Operating Profit + Depreciation and Amortization (excl. depreciation of right-of-use assets)

Core Operating Profit : Fixed Costs Steadily Reduced Thanks to Structural Reforms

(Excluding Non-recurring Items)

| (Billion yen) | 1H 2024 | % of Net Sales | 1H 2025 | % of Net Sales | YoY Change | YoY % | Pts Difference |
|-----------------------------------|---------|----------------|---------|----------------|------------|----------|----------------|
| Net Sales | 508.5 | 100% | 469.8 | 100% | - 38.7 | - 7.6% | - |
| COGS | 122.9 | 24.2% | 106.1 | 22.6% | - 16.8 | - 13.7% | - 1.6pts |
| Gross Profit | 385.6 | 75.8% | 363.7 | 77.4% | - 21.9 | - 5.7% | + 1.6pts |
| SG & A | 367.4 | 72.2% | 342.9 | 73.0% | - 24.5 | - 6.7% | + 0.7pts |
| Marketing investments | 138.1 | 27.1% | 135.3 | 28.8% | - 2.7 | - 2.0% | + 1.7pts |
| Brand development / R&D | 18.5 | 3.6% | 17.7 | 3.8% | - 0.8 | - 4.6% | + 0.1pts |
| Personnel expenses* | 123.1 | 24.2% | 108.1 | 23.0% | - 15.0 | - 12.2% | - 1.2pts |
| Other SG&A | 87.7 | 17.2% | 81.8 | 17.4% | - 5.9 | - 6.7% | + 0.2pts |
| Other Operating Income / Expenses | 1.0 | 0.2% | 2.6 | 0.6% | + 1.6 | + 152.5% | + 0.3pts |
| Core Operating Profit | 19.3 | 3.8% | 23.4 | 5.0% | + 4.1 | + 21.3% | + 1.2pts |

COGS : Improved COGS ratio via better mix of brands and SKUs, etc.

Marketing investments : Increased with new product launches in EMEA/Americas

Personnel expenses* : Reduced by reform benefits in Japan/China & TR; Americas fixed cost reductions positive impacts will surface from Q3

Other SG&A : Lowered thanks to structural reform benefits and agile cost management, etc.

* Including POS personnel expenses

Net Sales by Reportable Segment : Sequential Recovery Across All Regions

| Like-for-like* ¹ | 2024 (vs. 2023) | | | | | 2025 (vs. 2024) | | |
|-------------------------------------|--------------------|------------|------------|------------|------------|--------------------|------------|------------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | 1H |
| Japan | +20% | +7% | +5% | +7% | +10% | -2% | +2% | -0% |
| China & Travel Retail* ² | -14% | -11% | -23% | +2% | -11% | -14% | -7% | -10% |
| Asia Pacific | +5% | +7% | +2% | -3% | +2% | -1% | -0% | -0% |
| Americas | +9% | -20% | -9% | -7% | -7% | -19% | +4% | -9% |
| EMEA | +17% | +6% | -7% | +16% | +8% | -9% | +2% | -4% |
| Total | +3% | -4% | -8% | +4% | -1% | -9% | -3% | -6% |

*1 Excluding the impacts of foreign exchange translation, business transfers and acquisitions

*2 To adopt an integrated approach to Chinese consumers and to maximize value creation, the Company implemented changes to its organizational structure as of March 31, 2025, along with change to its reportable segment which have been reflected in 2025

Net Sales by Brand: Momentum Recovery Across Key Brands

Clé de Peau Beauté, NARS and ELIXIR Delivering Solid Performance

Core 3

| YoY % | YoY% (Excl. China & TR) |
|-----------------------|-------------------------|
| Q2 | Q2 |
| -1% | +7% |
| 1H | 1H |
| -4% | +4% |
| % of Net Sales | |
| 23% | |

| YoY% | YoY% (Excl. China & TR) |
|-----------------------|-------------------------|
| Q2 | Q2 |
| +3% | +6% |
| 1H | 1H |
| +3% | +6% |
| % of Net Sales | |
| 20% | |

| YoY% | YoY% (Excl. China & TR) |
|-----------------------|-------------------------|
| Q2 | Q2 |
| +7% | +6% |
| 1H | 1H |
| +2% | +1% |
| % of Net Sales | |
| 12% | |

Next 5

| YoY % | |
|-----------------------|--|
| Q2 | |
| -43% | |
| 1H | |
| -57% | |
| % of Net Sales | |
| 2% | |

| YoY % | |
|-----------------------|--|
| Q2 | |
| +13% | |
| 1H | |
| +12% | |
| % of Net Sales | |
| 6% | |

| YoY % | |
|-----------------------|--|
| Q2 | |
| -9% | |
| 1H | |
| -15% | |
| % of Net Sales | |
| 7% | |

| YoY % | |
|-----------------------|--|
| Q2 | |
| +8% | |
| 1H | |
| -1% | |
| % of Net Sales | |
| 4% | |

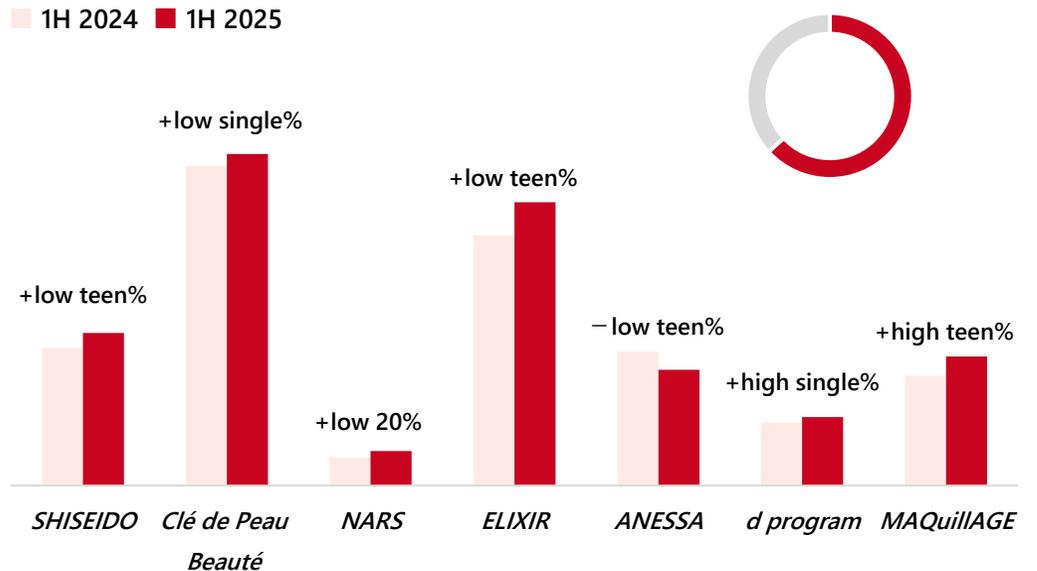
| YoY % | |
|-----------------------|--|
| Q2 | |
| -4% | |
| 1H | |
| -9% | |
| % of Net Sales | |
| 2% | |

* YoY change (%) for each brand is calculated based on foreign exchange rate assumptions as at the beginning of 2025 which excludes the impacts of foreign exchange translation, etc. * % of net sales is cumulative basis for 1H 2025 7

Japan: Upward Momentum Continued in Local Market, but Inbound Lost Stream; Profitability Improved Markedly Thanks to Structural Reform Benefits

| (Billion yen) | 1H 2024 | 1H 2025 | YoY Change | YoY % |
|---------------|---------|---------|------------|---------|
| Net Sales | 146.8 | 145.9 | -0.9 | -0.4%*1 |
| Core OP | 6.3 | 19.5 | +13.2 | +207.5% |
| Core OPM | 4.3% | 13.3% | - | +9.0pts |

Net Sales by Brand



Q2 Market

- Local: modest growth continued
- Inbound: moderate growth on the back of rising number of foreign visitors to Japan, but saw sharp deceleration from May onwards driven by weakness in department store channels

Q2 Consumer Purchases

- + Low single%; local core brands*2 drove growth, share expansion to continue
- Local: +low single% EC: +high teen%
SHISEIDO's new *ULTIMUNE* drove momentum
- Inbound: - low single%
Increased price convergence in domestic and overseas markets due primarily to yen appreciation, extended period of China's 618 e-commerce promotion and lower pricing

1H Net Sales & Core Operating Profit

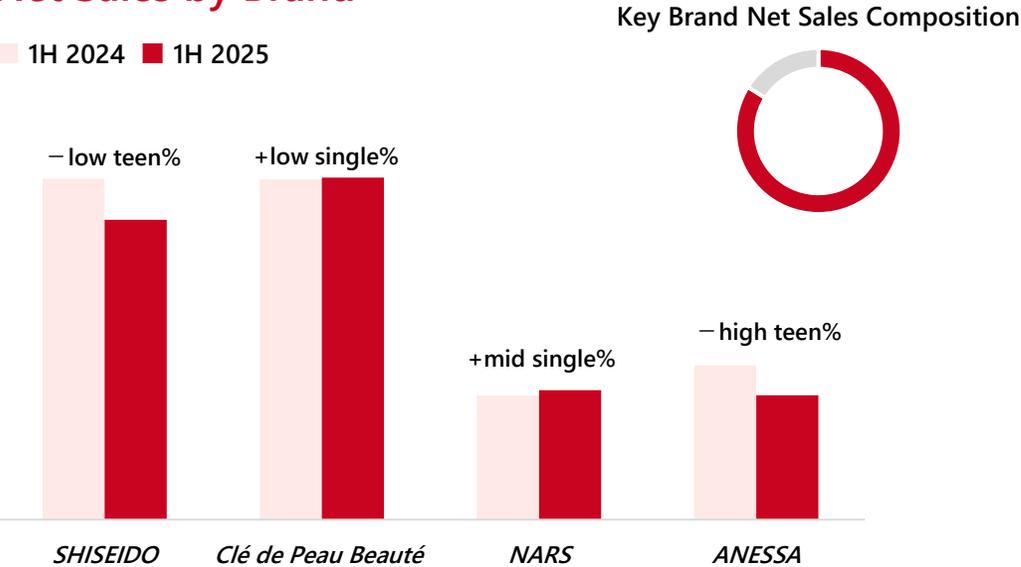
- Achieved YoY profit growth thanks to structural reforms and productivity enhancement

*1 Excluding the impact of business transfers *2 *SHISEIDO*, *Clé de Peau Beauté*, *NARS*, *ELIXIR*, *ANESSA*, *d program*, *MAQuillAGE*

China & Travel Retail: Slightly Ahead of Sales Target albeit YoY Decline; China Retuned to Growth; Stable Profitability Maintained Thanks to Cost Discipline

| (Billion yen) | 1H 2024 | 1H 2025 | YoY Change | YoY % |
|---------------|---------|---------|------------|----------|
| Net Sales | 198.5 | 173.9 | -24.6 | -10.0%*1 |
| Core OP | 46.0 | 38.8 | -7.2 | -15.6% |
| Core OPM | 23.0% | 22.1% | - | -0.9pts |

Net Sales by Brand*1



Q2 Market

China: prestige accelerated after Q1, but offline retail channels faced ongoing challenges; 618 e-commerce sales marginally increased*2 amid fierce price competition

- Travel Retail:
 - Chinese tourist consumption remained stagnant
 - South Korea saw ongoing shift to a tourist-driven model
 - Japan decelerated

Q2 Consumer Purchases

- China: +low single%
 - Offline: - low teen%, EC: +low teen%
 - 618 e-commerce promotion: outperformed the market driven by high-prestige brands
 - *Clé de Peau Beauté* and *NARS* maintained strong momentum overall, including offline channels, *SHISEIDO* performed well in EC but continued to suffer YoY decline in offline channels

- Travel Retail: - low 20%

1H Net Sales & Core Operating Profit

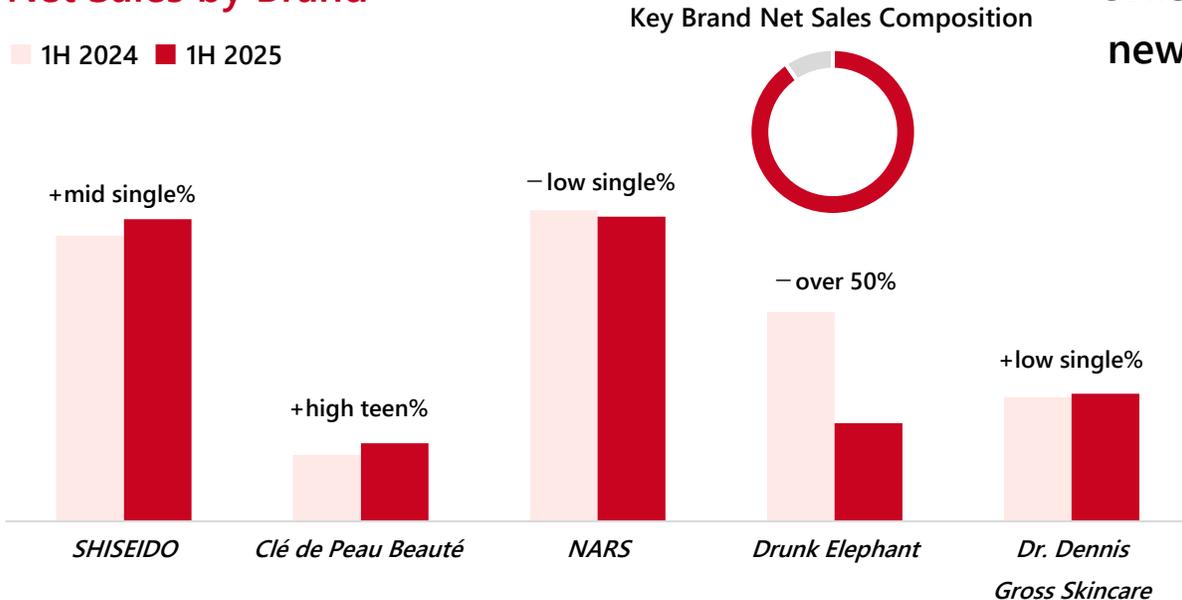
- Mitigated negative impact on profitability via fixed cost reduction and cost management amid sales decline and worsening business mix due to sequential contraction in Travel Retail

*1 Excluding the impacts of foreign exchange translation and business transfers *2 Excluding the impact of extended sales period

Americas: Continue to Suffer Sales Decline with *Drunk Elephant*, Accelerate Structural Reform Actions

| (Billion yen) | 1H 2024 | 1H 2025 | YoY Change | YoY % |
|---------------|---------|---------|------------|---------|
| Net Sales | 57.3 | 51.5 | -5.8 | -9.0%*1 |
| Core OP | -2.5 | -5.8 | -3.3 | - |
| Core OPM | -4.2% | -10.8% | - | -6.6pts |

Net Sales by Brand*1



Q2 Market*2

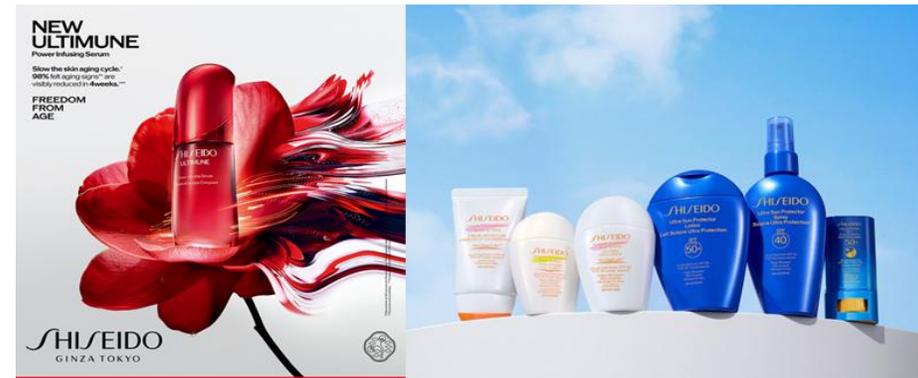
- Maintained YoY growth, but fell short of expectations

Q2 Consumer Purchases*3

- - high single%
- *Drunk Elephant* continued to struggle

1H Net Sales & Core Operating Profit

- Profit dropped on YoY sales decline
- *SHISEIDO* benefitted from new product launches, with new *ULTIMUNE* and mineral sunscreens fueling its growth



SHISEIDO

*1 Excluding the impacts of foreign exchange translation, business transfers and acquisitions *2 Prestige market *3 Data coverage: U.S. and Canada

Asia Pacific: Market Contraction Continued, but Still Captured Share Gains

EMEA: Ongoing Sales Decline with *Drunk Elephant*, Fragrances Remained Buoyant

Asia Pacific

| (Billion yen) | 1H 2024 | 1H 2025 | YoY Change | YoY % |
|---------------|---------|---------|------------|---------------------|
| Net Sales | 34.4 | 33.7 | -0.8 | -0.5%* ¹ |
| Core OP | 0.8 | -0.1 | -1.0 | - |
| Core OPM | 2.4% | -0.4% | - | -2.8pts |

Q2 Market*²

- Decelerated across the countries and regions notably in Taiwan and South Korea

Q2 Consumer Purchases*³

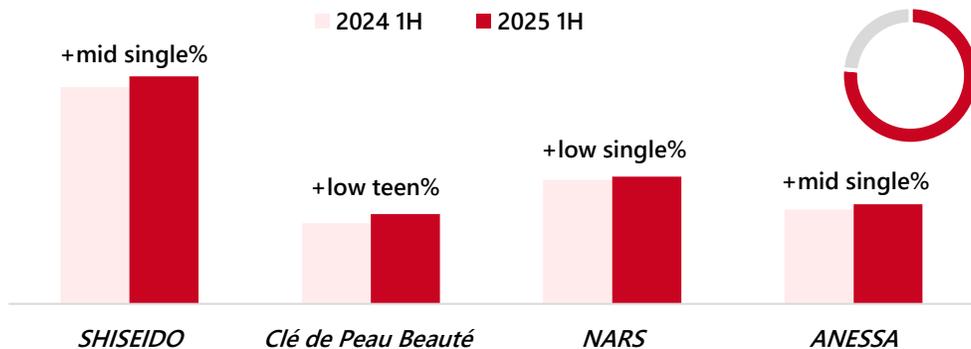
- +low single%

1H Net Sales & Core Operating Profit

- Profit dropped on YoY sales decline driven primarily by the softness in the Taiwan market

Net Sales by Brand*¹

Key Brand Net Sales Composition



EMEA

| (Billion yen) | 1H 2024 | 1H 2025 | YoY Change | YoY % |
|---------------|---------|---------|------------|---------------------|
| Net Sales | 62.8 | 59.5 | -3.3 | -3.8%* ¹ |
| Core OP | 2.1 | -2.6 | -4.6 | - |
| Core OPM | 3.2% | -4.1% | - | -7.3pts |

Q2 Market*²

- Grew moderately, but the pace of growth decelerated

Q2 Consumer Purchases*⁴

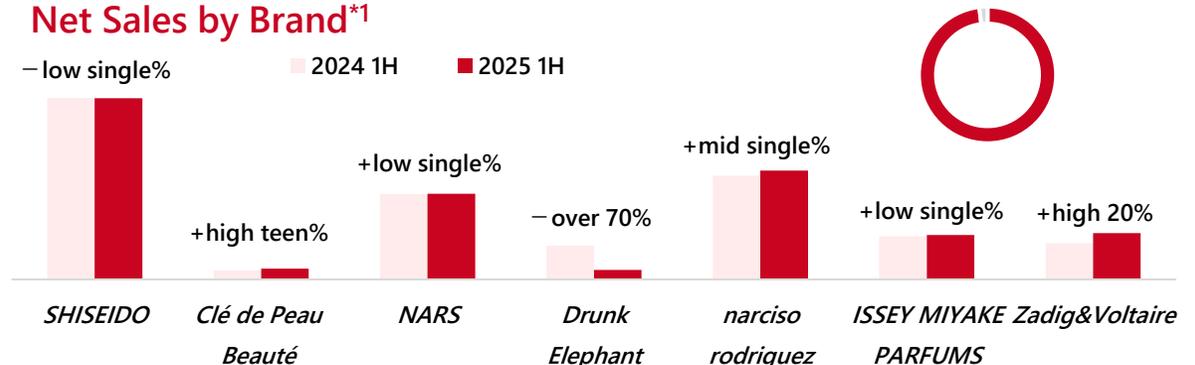
- +low single% in total, +low 20% in Fragrances

1H Net Sales & Core Operating Profit

- Posted YoY decline due to continued challenge with *Drunk Elephant*
- Fragrances remained buoyant with *Zadig&Voltaire* fueling growth
- Profit dropped on higher marketing investments, lower gross profit

Net Sales by Brand*¹

Key Brand Net Sales Composition



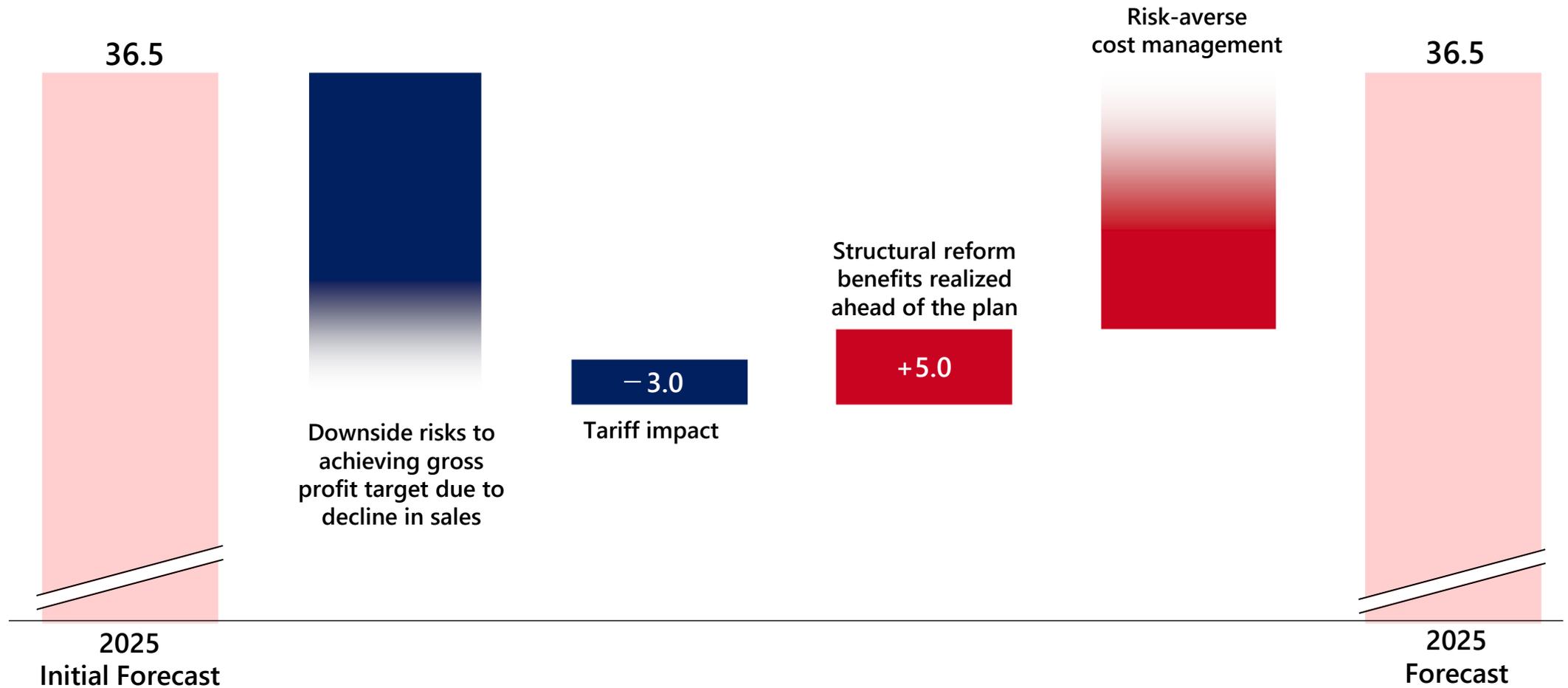
*1 Excluding the impacts of foreign exchange translation and business transfers *2 Prestige market

*3 Data coverage: 10 countries and regions in the Asia and Oceania regions including Taiwan, South Korea and Thailand *4 Data coverage: France, UK, Germany, Italy and Spain

2025 Core Operating Profit Forecast

Full-year forecast for core OP reiterated despite downside risks to achieving sales target; remain committed to maximizing opportunities while minimizing risks

(Billion yen)



2025 Sales Forecasts: Downside Risks to Achieving Sales Target

| | Initial Forecast YoY Net Sales (LfL%*1) | Risks & Opportunities |
|-----------------------|---|---|
| Japan | Total: +high single% Local: +high single% Inbound: +mid teen% | <ul style="list-style-type: none"> ● Inbound sales to fall significantly short of expectations due to downturn in tourist consumption |
| China & Travel Retail | – mid single% | <ul style="list-style-type: none"> ● Weak consumption, heightened uncertainty, fierce price competition in the market to continue, but likely to maintain a better foothold than expected overall |
| Asia Pacific | +low teen% | <ul style="list-style-type: none"> ● There might be a risk that growth to fall below our expectations weighed down by the weakness in certain markets*2 including Taiwan and South Korea ● <i>Drunk Elephant</i> to continue lackluster performance |
| Americas | +low teen% | <ul style="list-style-type: none"> ● Market expected to grow at slower pace particularly in skincare and makeup categories ● <i>Drunk Elephant</i> to continue lackluster performance |
| EMEA | +high single% | <ul style="list-style-type: none"> ● Market expected to slow across all categories ● <i>Drunk Elephant</i> to continue lackluster performance |
| Global | +4% | |

*1 Excluding the impacts of foreign exchange translation, business transfers and acquisitions

*2 Countries and regions in Asia Pacific

Tariff Impact: Estimated Net Impact on Earnings Reduced to ¥3.0 bn from ¥7.0 bn; Implementing Risk Mitigation Measures

<Assumptions>

- As of Q1 results announcement (estimated impact: $\leq -¥7.0$ bn): U.S. tariffs on Chinese imports: +145%, China's retaliatory tariffs on U.S. imports: +125%, U.S. imports from countries and regions other than China: +10% with baseline tariff being applied during a 90-day suspension period from April 9, and thereafter reciprocal tariff rates announced on April 2, 2025 to be applied
- Revised assumption: (estimated impact: $\leq -¥3.0$ bn) : U.S. tariffs on Chinese imports: +30%, China's retaliatory tariffs on U.S. imports: +10%; Reciprocal and retaliatory tariffs will be imposed according to the rates agreed and announced by the applicable countries and regions as of July 31, 2025

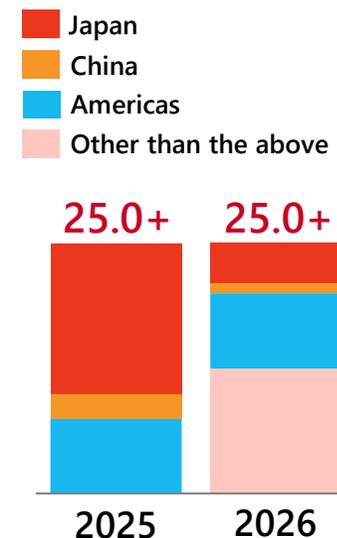
| | U.S. | China & Travel Retail | Other Countries and Regions | Risks | Mitigation Actions |
|-----------------|--|--|---|--|--|
| Direct Impact | 1) Higher import costs from China, Mexico, Canada, etc., e.g. raw materials 4) Higher import costs for products from Japan and Europe e.g. <i>SHISEIDO</i> , <i>Clé de Peau Beauté</i> and Fragrances | 2) Higher import costs for products manufactured in the U.S. e.g. <i>NARS</i> , etc. 5) Reduced import volume from the U.S. leading to a decline in sales | 3) Higher import costs for products manufactured in the U.S. e.g. <i>NARS</i> and <i>Drunk Elephant</i> | Estimated impact in 2025 Core Operating Profit Annual $\leq -¥3.0$ bn Q2 Minor | Advancing current actions <ul style="list-style-type: none"> • Change to local sourcing • Review of production sites • Global-wide cost management Additional Actions <ul style="list-style-type: none"> • Inventory build-up • Utilize tariff exemptions • Streamline logistics • Pricing • Sales expansion actions • Additional fixed costs reduction |
| Indirect Impact | Downturn in the global beauty market Inflation to reduce the purchasing power of consumers Deterioration in consumer sentiment, increase in household saving Negative wealth effect by falling asset prices e.g. stocks and real estate FX fluctuation | | | Sales/Profit Decline $-\alpha$ | |

Progress on Global Cost Structure Transformation

**1H: Realized ¥13.5bn cost reduction benefits, on track with the plan;
Full-year: Accelerate structural reforms in Americas ahead of the schedule;
raising cost reduction target: ¥20.0 bn → ¥25.0 bn**

Increase 2-year reduction targets from ¥45.0 bn → ¥50.0 bn to achieve core OPM target

| | | (Billion yen) | | |
|------------------------------|---|---------------|--------------|--------------|
| | | 1H Actual | 2025 | 2026 |
| COGS | <ul style="list-style-type: none"> • Selection and concentration of brands and SKUs, strategic price increases • Optimize factory production line efficiency, etc. | 1.5 | 3.0 | 7.0 |
| Marketing investments | <ul style="list-style-type: none"> • Optimize promotional costs, increase marketing ROI • Expand local production and operational efficiency of samples | 1.5 | 2.0 | 1.0 |
| Personnel expenses | <ul style="list-style-type: none"> • Optimize organization structure, improve productivity • Streamline corporate functions to enhance operational efficiency, etc. | 8.5 | 15.0 | 8.0 |
| Other SG&A | <ul style="list-style-type: none"> • Reduce outsourcing cost • Reduce depreciation: system optimization and integration, selective new investments • Other cost savings: logistics optimization, efficient office management, etc. | 2.0 | 5.0 | 9.0 |
| Total | | 13.5 | 25.0+ | 25.0+ |



Current Progress and Next Step

Driving the Value of Our Key Brands

SHISEIDO
GINZA TOKYO



clé de peau
BEAUTÉ

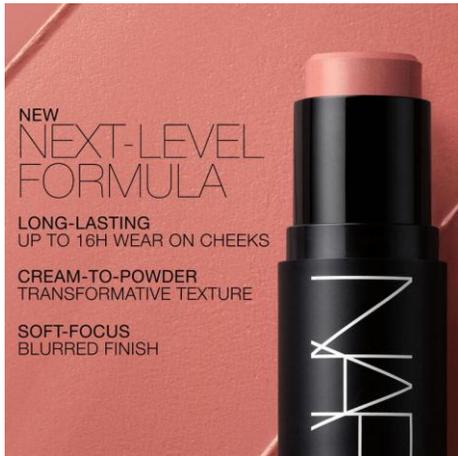


NARS

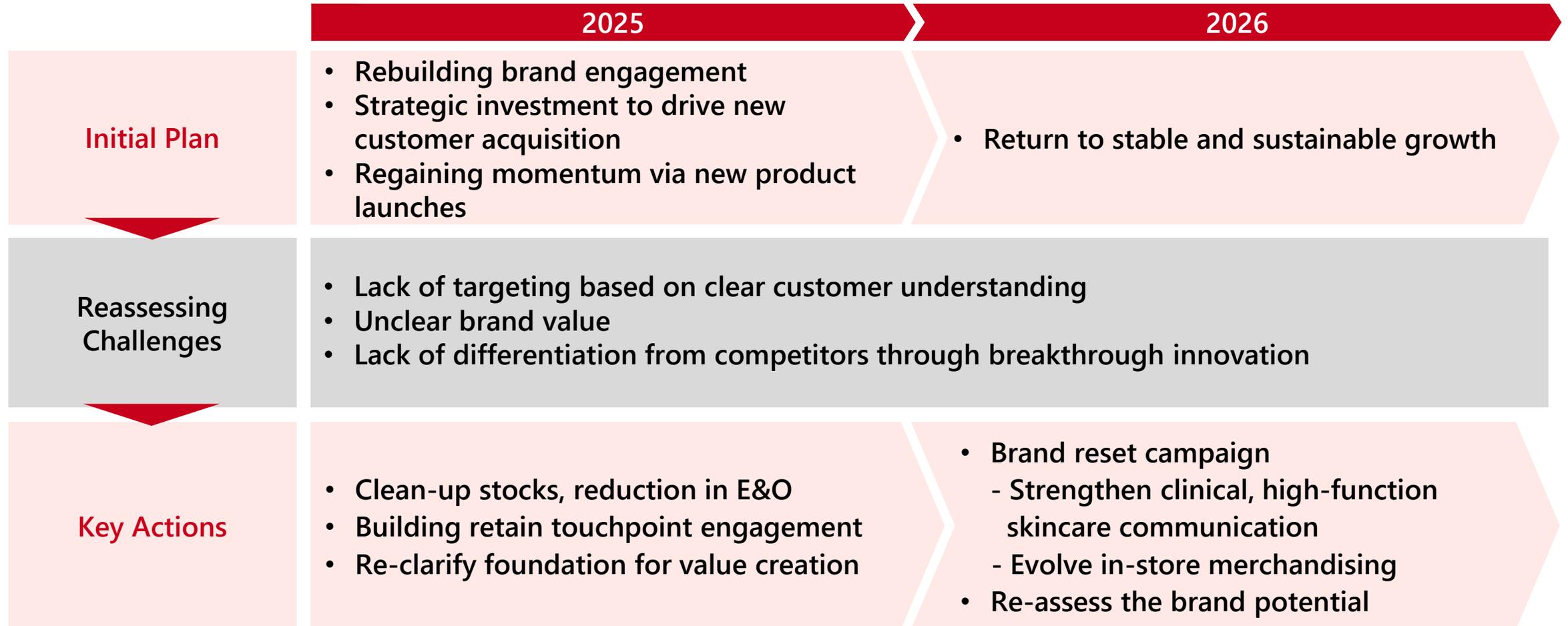
ZADIG & VOLTAIRE

ELIXIR

ANESSA



Drunk Elephant: Challenges Reassessed by the Global Team



Americas: Steady Progress Towards Returning to Profitability in 2026

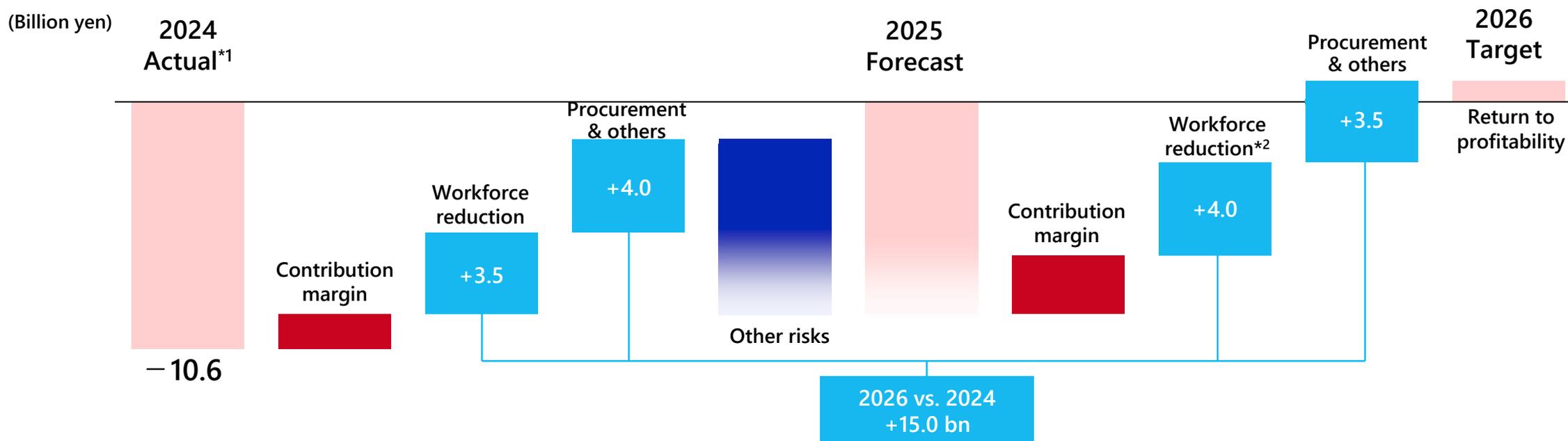
● Accelerate turnaround strategies under the new leadership

- Achieve operational excellence by optimizing our organization; rebuild resilient business model and cost structure to drive sustainable profit growth
- Key structural reform actions to be completed, moving to the next phase of continuous profit enhancement

Cost reduction benefits : ¥15.0 bn per annum, YoY 2025: +¥7.5 bn (Q3~), 2026: +¥7.5 bn (~Q2)

- Workforce reduction : ¥7.5 bn per annum
- Procurement & Others : ¥7.5 bn per annum

- Downsize office spaces (structural reform expenses recognized in Q3), optimize indirect procurement



*1 From 2025, we have implemented changes to segment reporting in order to have better grasp on profitability of each segment. For details, please refer to the [news release published on March 28, 2025](#).
2024 results have been restated to reflect these changes.

*2 Carry over effect from actions taken in Q3 2025

FOCUS ERP System*: Implementation Completed Globally; Set to Drive Operational Agility and Productivity Across the Organization

Progress Update

- ✓ With FOCUS ERP go-live in Japan & Global Headquarters in July, standardization and integration completed globally
- ✓ Operations standardized across all regions at higher levels
- ✓ “Global One IT” launch: global initiative aimed at optimizing Shiseido’s overall IT landscape
 - Reinforcement of business contribution
 - Efficient use of IT resources: economies of scale, elimination of redundancies

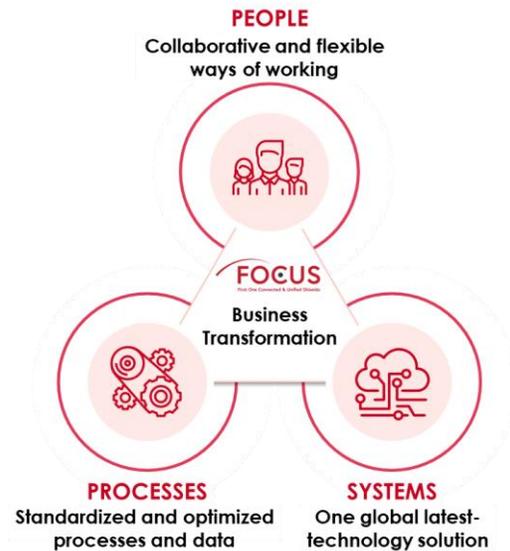
Transition into the Value Realization

Data & Process Standardization

- Timely performance monitoring by region, sales entity, and brand on a day-to-day basis by utilizing accounting and supply-chain data
- Agile decision-making process aligned with evolving business conditions
- Optimizing inventory turnover, minimize excess inventory

System

- Achieve cost reductions by implementing effective IT operations globally
- Extend standardization to affiliated companies to maximize the benefits of the integration



Solid Progress and Next Steps Forward

Action Plan 2025-2026

- Legend
- ✔ Done/Benefits Delivered (Timeline of benefit delivery)
 - Benefits to be Delivered

New Medium-term Strategy

Reinforce Brand Foundation

- Focus our efforts on key brands: Core 3 & Next 5
- Maximize gross profits
- Develop cohesive operating model across brands and regions to boost brand equity

- **Strengthen key brands**
Boost sales composition of Core3 & Next 5
Clé de Peau Beauté, ELIXIR Continuous share expansion
Tackling various challenges and conditions of each brands

Strategic withdrawal or downsizing of brand

- ✔ China: Withdrawal of 5 brands (2024)
- ✔ Japan: *Drunk Elephant, TUNE BEAUTE, ROOTINA* (2025)

Rebuild Profitable Foundation

- Reduce fixed costs across the organization
- Enhance profitability in Japan, Americas, EMEA, and Asia Pacific
- Rebuild sustainable business foundation in China and Travel Retail

Structural reform benefits of ¥50.0 bn*1

- ✔ Japan: ERIP*2 (from Q4 2024)
 - ✔ China & TR: Streamline organization/workforce (from Q1 2024)
 - ✔ Americas: Streamline organization/workforce (from Q3 2025)
 - ✔ China & TR: Change in management structure, enhanced cohesive approach to Chinese consumers
- Number of employees
-13%
2025-end estimate*3
vs. 2023-end actuals

- ✔ Japan:
Streamlined regional offices (2023)
Flagship store closures in Harajuku/Ginza (2024)
- Shin-Tamachi Office closure (2025)
- ✔ China: Integration of China Innovation Center (2024)
- EMEA: Regional HQ office relocation (from Q1 2026)
- Americas: Downsizing regional HQ office /sub-leasing (from Q3 2025)
- Financial discipline: Launch of Investment/Divestment Committee
- Completed global implementation of FOCUS ERP System

Enhance Operational Governance

- Accelerate asset-light initiatives
- Evolve global operational framework
- Sharpen financial governance and accountability

- Profitable growth
- Pursue an optimized cost structure
- Reinvest for next phase of growth

*1 Amounts are cumulative total for 2025 and 2026. For details, please refer to p.15

*2 ERIP: Early Retirement Incentive Plan

*3 Assumptions used in this estimate: Americas: 2025Q3 workforce reduction reflected in 2025Q2-end headcount. Other regions: No change in headcount from 2025Q2-end to 2025Q4-end

**Be a Global Winner
with Our Heritage**



Supplemental Data 1

Q2 Net Sales and Core Operating Profit by Reportable Segment*1

| Top: Net Sales Bottom: Core OP (Billion yen) | Q2 2024 | % of Net Sales/ Core OPM %*2 | Q2 2025 | % of Net Sales/ Core OPM %*2 | YoY Change | YoY Change % | YoY FX-Neutral % | YoY LfL %*3 |
|--|---------|---------------------------------|---------|---------------------------------|---------------|-----------------|---------------------|----------------|
| Japan | 70.7 | 27.3% | 71.7 | 29.7% | +1.0 | +1.4% | +1.4% | +1.6% |
| | 0.9 | 1.3% | 8.2 | 11.3% | +7.3 | +815.7% | - | - |
| China & Travel Retail | 113.2 | 43.7% | 99.0 | 41.0% | -14.3 | -12.6% | -7.3% | -7.3% |
| | 30.1 | 26.4% | 25.5 | 25.6% | -4.6 | -15.3% | - | - |
| Asia Pacific | 17.3 | 6.7% | 16.6 | 6.9% | -0.7 | -4.3% | -1.0% | -0.4% |
| | 0.6 | 3.4% | -0.0 | -0.3% | -0.6 | - | - | - |
| Americas | 25.5 | 9.8% | 24.3 | 10.0% | -1.2 | -4.6% | +3.4% | +4.1% |
| | -3.6 | -13.4% | -4.0 | -15.6% | -0.4 | - | - | - |
| EMEA | 28.0 | 10.8% | 27.9 | 11.6% | -0.1 | -0.4% | +2.1% | +2.3% |
| | -0.6 | -2.2% | -2.1 | -7.3% | -1.5 | - | - | - |
| Other | 4.3 | 1.7% | 2.1 | 0.9% | -2.2 | -50.3% | -49.1% | -53.4% |
| | 0.2 | 4.8% | -1.0 | -38.0% | -1.2 | - | - | - |
| Adjustments | - | - | - | - | - | - | - | - |
| | -19.6 | - | -11.4 | - | +8.3 | - | - | - |
| Total | 259.1 | 100% | 241.6 | 100% | -17.5 | -6.8% | -3.2% | -2.7% |
| | 7.9 | 3.1% | 15.1 | 6.3% | +7.2 | +90.5% | - | - |

*1 In 2025, we have implemented changes to segment reporting in order to have better grasp on profitability of each segment. For details, please refer to [news release published on March 28, 2025](#). 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." 2024 results have been restated to reflect the changes

*2 Calculated based on total sales including intersegment sales and internal transfers between segments

*3 Excluding the impacts of foreign exchange translation, business transfers and acquisitions

Supplemental Data 2

1H Net Sales and Core Operating Profit by Reportable Segment*1

| Top: Net Sales Bottom: Core OP (Billion yen) | 1H 2024 | % of Net Sales/ Core OPM %*2 | 1H 2025 | % of Net Sales/ Core OPM %*2 | YoY Change | YoY Change % | YoY FX-Neutral % | YoY LfL %*3 |
|--|---------|---------------------------------|---------|---------------------------------|---------------|-----------------|---------------------|----------------|
| Japan | 146.8 | 28.9% | 145.9 | 31.0% | -0.9 | -0.6% | -0.6% | -0.4% |
| | 6.3 | 4.3% | 19.5 | 13.3% | +13.2 | +207.5% | - | - |
| China & Travel Retail | 198.5 | 39.0% | 173.9 | 37.0% | -24.6 | -12.4% | -10.1% | -10.0% |
| | 46.0 | 23.0% | 38.8 | 22.1% | -7.2 | -15.6% | - | - |
| Asia Pacific | 34.4 | 6.8% | 33.7 | 7.2% | -0.8 | -2.3% | -1.0% | -0.5% |
| | 0.8 | 2.4% | -0.1 | -0.4% | -1.0 | - | - | - |
| Americas | 57.3 | 11.3% | 51.5 | 11.0% | -5.8 | -10.1% | -7.3% | -9.0% |
| | -2.5 | -4.2% | -5.8 | -10.8% | -3.3 | - | - | - |
| EMEA | 62.8 | 12.4% | 59.5 | 12.7% | -3.3 | -5.3% | -3.9% | -3.8% |
| | 2.1 | 3.2% | -2.6 | -4.1% | -4.6 | - | - | - |
| Other | 8.8 | 1.7% | 5.4 | 1.1% | -3.4 | -38.4% | -38.0% | -25.8% |
| | 0.2 | 1.7% | -0.9 | -13.5% | -1.1 | - | - | - |
| Adjustments | - | - | - | - | - | - | - | - |
| | -33.6 | - | -25.5 | - | +8.1 | - | - | - |
| Total | 508.5 | 100% | 469.8 | 100% | -38.7 | -7.6% | -6.1% | -5.8% |
| | 19.3 | 3.8% | 23.4 | 5.0% | +4.1 | +21.3% | - | - |

*1 In 2025, we have implemented changes to segment reporting in order to have better grasp on profitability of each segment. For details, please refer to [news release published on March 28, 2025](#). 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." 2024 results have been restated to reflect the changes

*2 Calculated based on total sales including intersegment sales and internal transfers between segments

*3 Excluding the impacts of foreign exchange translation, business transfers and acquisitions

Supplemental Data 3

Q2 Net Sales by Brand

YoY Change %*

| | Japan | China & Travel Retail | Asia Pacific | Americas | EMEA |
|----------------------------------|--------------|-----------------------|--------------|---------------|---------------|
| SHISEIDO | +low teen% | – high single% | +low teen% | +high single% | +low single% |
| Clé de Peau Beauté | +low single% | +low single% | +low teen% | +high teen% | +low single% |
| NARS | +over 30% | +high single% | +low single% | +high single% | – low single% |
| Drunk Elephant | | | | – low 20% | – over 60% |
| ELIXIR | +mid teen% | | | | |
| ANESSA | +low teen% | – high teen% | +low teen% | | |
| narciso rodriguez | | | | | +low 20% |
| ISSEY MIYAKE PARFUMS | | | | | +low teen% |
| d program | +low teen% | | | | |
| MAQuillage | +low 20% | | | | |
| Dr. Dennis Gross Skincare | | | | +low teen% | |
| Zadig&Voltaire | | | | | +over 60% |

*YoY changes (%) are only provided for key brands in each region and are calculated based on foreign exchange rate assumptions as at the beginning of 2025 which excludes the impacts of foreign exchange translation, etc

Supplemental Data 4 Non-recurring Items

| (Billion yen) | 2024 | | | 2025 | | |
|---|--------------|-------------|--------------|-------------|-------------|-------------|
| | Q1 | Q2 | 1H | Q1 | Q2 | 1H |
| Core Operating Profit | 11.3 | 7.9 | 19.3 | 8.3 | 15.1 | 23.4 |
| Structural Reform Expenses | -19.7 | -0.6 | -20.4 | -0.8 | -4.0 | -4.8 |
| Impairment losses/reversals | -0.1 | -0.0 | -0.1 | 0.0 | -0.0 | -0.0 |
| Gain on Sale of Non-current Assets | - | 0.7 | 0.7 | - | - | - |
| Acquisition-related Costs | -0.2 | -0.1 | -0.3 | -0.0 | -0.0 | -0.0 |
| One-time Costs Related to Internal System Changes | - | -1.0 | -1.0 | - | -0.0 | -0.0 |
| Other | -0.0 | -0.9 | -0.9 | -0.3 | -0.1 | -0.4 |
| Non-recurring Items | -20.1 | -1.9 | -22.0 | -1.0 | -4.2 | -5.3 |
| Operating Profit | -8.7 | 6.0 | -2.7 | 7.2 | 10.9 | 18.1 |

SHISEIDO