



Notice of Convocation

The 126th Annual General Meeting of Shareholders

Disclaimer: Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of our shareholders with voting rights outside Japan for reference. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please be advised that certain expressions for domestic voting procedures that are not applicable to the aforesaid shareholders are omitted or modified to avoid confusion. Please also be advised that this material will not facilitate your status as a registered shareholder, who is authorized to physically attend the annual general meeting of shareholders in person, unless presenting the original Notice of Convocation and the Voting Form in Japanese to the receptionist at the place of the meeting.

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Notice of Convocation of the 126th Annual General Meeting of Shareholders

Dear Shareholders:

We express our deep appreciation to each of you for your extraordinary daily support.

We are pleased to announce the 126th annual general meeting of shareholders of Shiseido Company, Limited (the “Company”), which will be held as described on page 5.

In convening this general meeting of shareholders, the Company provides the Reference Document Concerning the General Meeting of Shareholders and other information (matters to be provided electronically) in electronic form, and the Notice of Convocation of the 126th Annual General Meeting of Shareholders is posted on our corporate information website and shareholders’ meeting material website below. Please access either of the following websites and check the information.

Our corporate information website

<https://corp.shiseido.com/en/ir/shareholder/>

Shareholders’ meeting material website

<https://d.sokai.jp/4911/teiji/>

(in Japanese only)

Yours truly,

Shiseido Company, Limited



Kentaro Fujiwara

Director, Representative Corporate
Executive Officer, President and CEO

Registered Head Office:

5-5, Ginza 7-chome, Chuo-ku, Tokyo

Principal Business Office:

6-2, Higashi-Shimbashi 1-chome,
Minato-ku, Tokyo

(VOTING PROCEDURE FOR REGISTERED SHAREHOLDERS IN JAPAN)¹

When you exercise your voting rights via the Internet, etc., please access to Proxy Voting Website (<https://www.web54.net>).

¹ Please note that shareholders outside Japan shall not use these voting procedures.

PARTICULARS

Date and Time of the Meeting:

Wednesday, March 25, 2026 at **10:00 a.m.**

Place of the Meeting:

Imperial Hotel, 2F, Peacock Room (East Room)

1-1, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan

Matters to Be Dealt With at the Meeting:**Matters for Reporting:**

Report on the business report, the consolidated financial statements and non-consolidated financial statements, and the results of the audits of consolidated financial statements by the accounting auditor and the Audit Committee for the fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

Matters for Resolution:

First Item of Business: Dividends of Retained Earnings

Second Item of Business: Election of Twelve (12) Directors

Matters Related to Exercise of Voting Rights:

1. Requirement for exercise of voting rights through proxy

Shareholders may exercise voting rights through a proxy who shall be a shareholder with voting rights of the Company.

In this case, the shareholder or the proxy shall be required to submit a document certifying the power of representation to the Company at the general meeting of shareholders.

2. Validity of the voting in the event of exercise of voting rights by one and the same shareholder via both return mail and via website

In the event that one and the same shareholder exercises voting rights via both return mail and via website, the exercise of voting rights via website shall be considered valid.

Moreover, in the event that one and the same shareholder exercises voting rights via website several times, the last exercise of voting rights via website shall be considered valid.

3. Handling of approval/disapproval on the voting form

In the event that there is no indication of approval or disapproval for each proposal on the returned Voting Form, the vote will be regarded as having indicated approval for proposals made by the Company.

4. Diverse exercise of votes

Shareholders wishing to diversely exercise the votes they hold shall notify the Company to that effect and of the reasons thereof via website or in writing no later than three days prior to the day of the general meeting.

Business Report

(Fiscal Year from January 1, 2025 to December 31, 2025)

1. Matters Concerning the Shiseido Group

1.1 Business Overview

(1) Progress and Results

1) Overview

■ Progress and Results in the Fiscal Year Ended December 2025

During the fiscal year ended December 31, 2025, the global economy continued to experience rising uncertainty amid escalating geopolitical risks and other factors.

The domestic cosmetics market grew at a moderate pace. While the number of foreign visitors to Japan continued to surge, hitting new record highs throughout the year, inbound cosmetics market saw slower-than-expected growth due in part to a sharp decline in the number of Chinese tourists in December.

The overseas cosmetics market witnessed signs of recovery despite the headwinds which persisted across regions during the year. The duty-free retail market including Hainan Island continued to be impacted by challenging market environment due to subdued consumer spending amid worsening economic sentiment, however, the market started to show signs of recovery with the upgrade of offshore duty-free policy in Hainan Island. Meanwhile, China's cosmetics market also returned on a recovery trend. The cosmetics markets in the U.S. and Europe both continued modest growth albeit at a slower-than-expected pace.

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. In November 2024, the Group 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 even in the midst of volatile market conditions. In the fiscal year 2025, the Group has completed key strategic actions for structural reforms by steadily advancing its priority agendas towards achieving a core operating profit margin of 7% in 2026.

Additionally, the Group unveiled the "2030 Medium-Term Strategy" with the vision of shifting to a new growth trajectory by leveraging competitive advantage that lies in its value creation and value communication capabilities and maximizing its corporate value. Under the Vision "By connecting with people, we pursue, create, and share new beauty, enriching everyone's lives" built on the core value of contributing to society that goes back to its foundation, the Group will be aiming to drive above-market sales growth, achieving a core operating profit margin of 10% or more by 2030 based on three strategic pillars; "Accelerate Growth with Brand Power," "Evolve Global Operations," and "Drive Sustainable Value Creation."

Net sales in the fiscal year ended December 31, 2025 decreased 2.1% year-on-year to ¥970.0 billion on a reported basis, down 2.1% year-on-year on a FX-neutral basis, or down 1.8% 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, reflecting primarily the decline in consumer spending in the China & Travel Retail Business, particularly in the first half of the year, as well as the ongoing challenges with *Drunk Elephant* in the Americas Business. However, sales returned to growth in the latter half of the year driven by the growth of key brands.

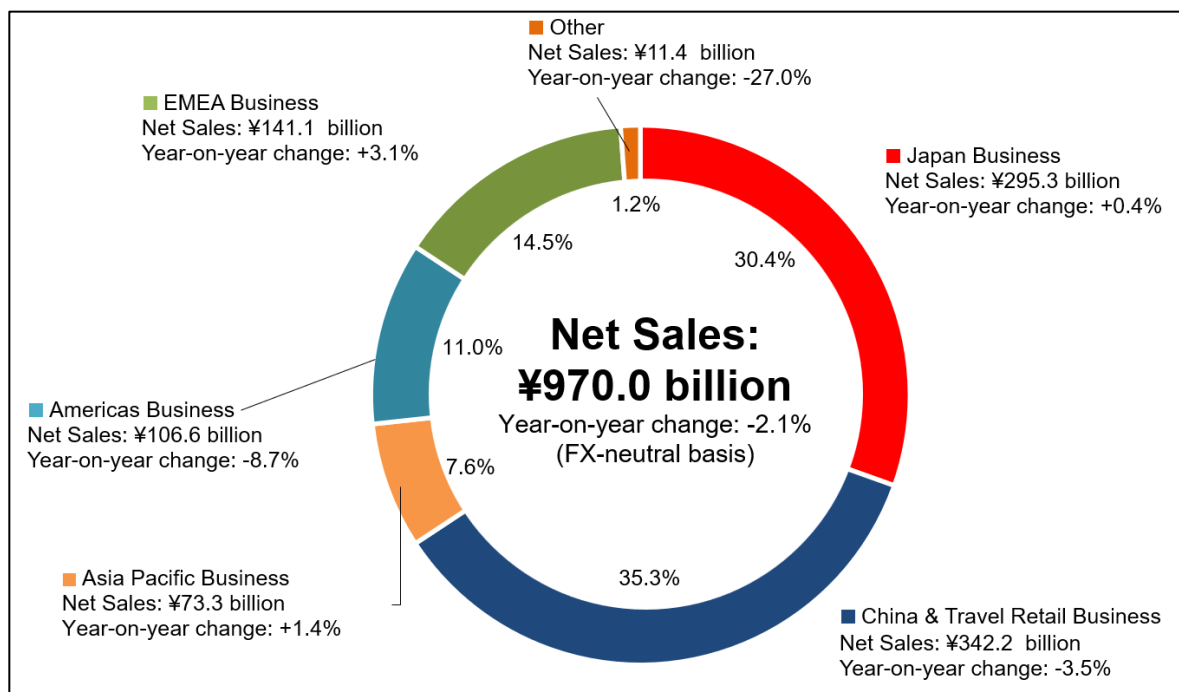
Core operating profit increased ¥8.2 billion year-on-year to ¥44.5 billion, offsetting a year-on-year profit decline in the China & Travel Retail and Americas Businesses with positive impacts from better product mix attributed to the growth of our key brands as well as the benefits of structural reforms and Group-wide cost management.

Profit attributable to owners of parent decreased ¥29.9 billion year-on-year, incurring a loss of ¥40.7 billion. Despite the increase in core operating profit, this was offset by a goodwill impairment loss of ¥46.8 billion recognized in the year, based on the results of an impairment test conducted in light of the declined profitability in the Americas Business. This recognition of an impairment loss, however, has not had any impact on cash flow of the Company for the fiscal year 2025.

The EBITDA margin was 9.8%.

Additionally, in accordance with the “Accounting Standard for Financial Instruments” under Japanese GAAP, the Company has recognized an extraordinary loss of ¥180.3 billion in its non-consolidated financial results for the fiscal year 2025 to reflect the decrease in the net asset value of shares of its subsidiary, Shiseido Americas Corp. due to the decline in the profitability in the Americas Business. The aforementioned loss on valuation of equity shares will only be recognized on a non-consolidated basis and therefore, it has not, and will not have any impact on the Company’s consolidated financial results for the fiscal year 2025 as well as its future earnings outlook.

■ Net Sales by Reportable Segment



■ Core Operating Profit (Loss) by Reportable Segment

(Billions of yen)

	125th Business Term	Ratio to Net Sales (%)	126th Business Term (Current)	Ratio to Net Sales (%)	Increase/decrease
Japan Business	25.9	8.8	39.0	13.1	+13.1
China & Travel Retail Business	72.0	19.9	64.5	18.7	(7.5)
Asia Pacific Business	4.9	6.7	5.1	6.8	+0.2
Americas Business	(9.2)	(7.4)	(11.6)	(10.4)	(2.3)
EMEA Business	2.7	1.9	3.9	2.7	+1.3
Other	(1.1)	(6.6)	(1.3)	(9.5)	(0.1)
Adjustments	(58.7)	—	(55.2)	—	+3.5
Total	36.4	3.7	44.5	4.6	+8.2

Notes:

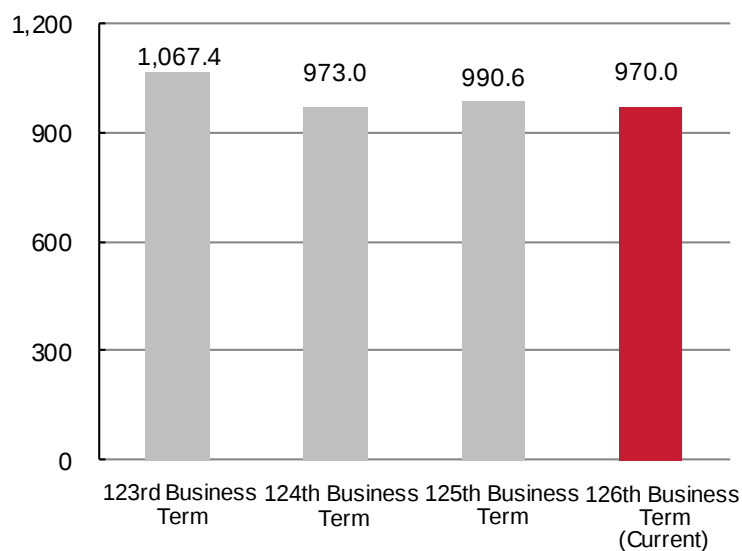
1. From the current fiscal year, the “China Business” and the “Travel Retail Business” have been changed to the “China & Travel Retail Business.” The business results related to the operation of domestic sales by IPSA Co., Ltd. and the operation of sales of health & beauty foods, etc. by healthcare business previously included in the “Other” are now included in the “Japan Business.” In addition, we have changed the method of calculating profit or loss of reportable segments. Segment information for the previous fiscal year has been restated to reflect these changes. As a result, segment information for the fiscal year ended December 31, 2024 has been restated to reflect this reclassification.
2. Like-for-like increase (decrease) in net sales excludes foreign exchange translation, the business transfer and acquisition impacts.
3. The “Other” segment includes the restaurant business, etc.
4. Core operating profit (loss) 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.
5. 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.
6. The “Adjustments” in core operating profit (loss) primarily reflects the head office expenses that are not allocated to each operating segment, the difference between the allocation amount to each operating segment and the actual amount, cost difference, etc. From the current fiscal year, 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.

■ Consolidated Results

Net Sales

Fiscal 2025: **¥970.0 billion**
 Year-on-year change: -2.1%
 (FX-neutral basis: -2.1%)
 (Like for like: -1.8%)

(Billions of yen)

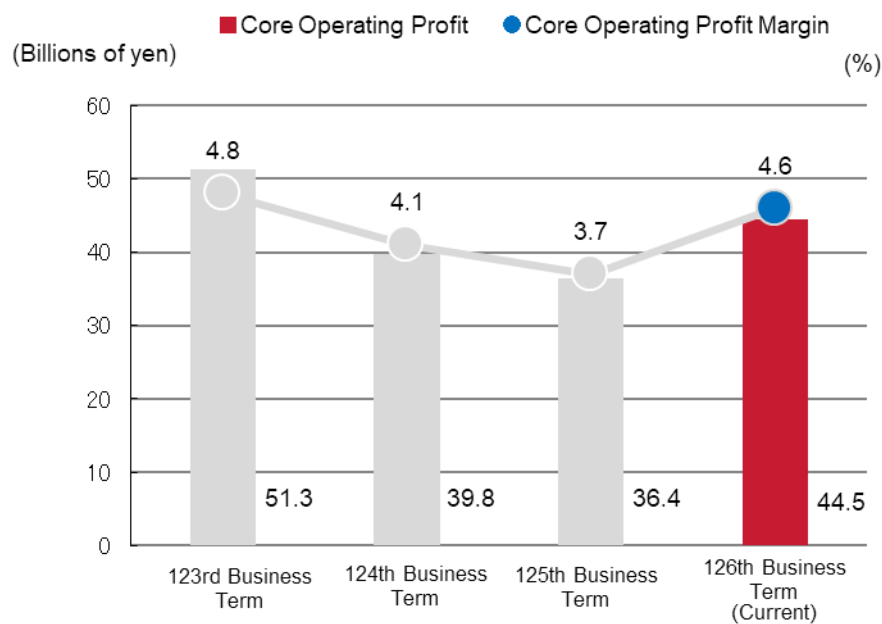


Core Operating Profit

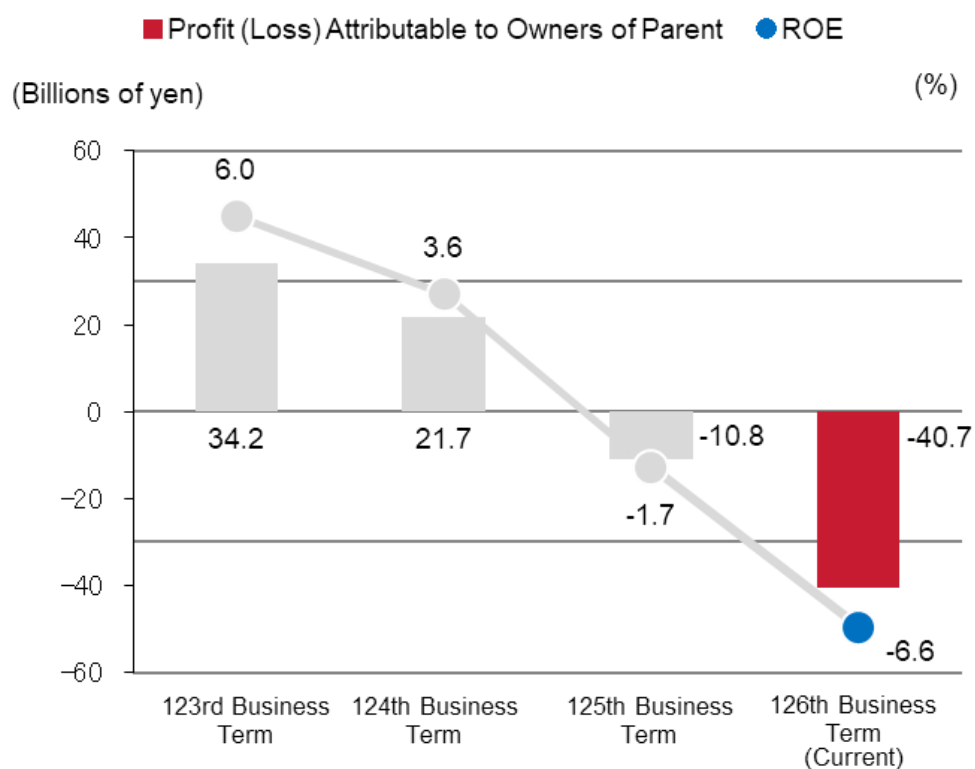
Fiscal 2025: **¥44.5 billion**
 Year-on-year change: +¥8.2 billion

Core Operating Profit Margin

Fiscal 2025: **+4.6%**
 Year-on-year change: +0.9 points



Profit (Loss) Attributable to Owners of Parent Fiscal 2025: -¥40.7 billion Year-on-year change: -¥29.9 billion	ROE Fiscal 2025: -6.6%
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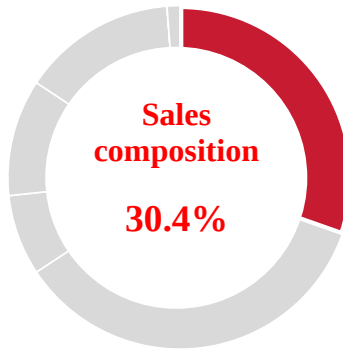
Note: The major foreign currency exchange rates applicable to income and expense accounting line items in the consolidated financial statements for the fiscal year 2025 are JPY149.7/USD, JPY169.0/EUR, and JPY20.8/CNY.

2) Activities by Business Segment

Japan Business

Robust growth in core brands

Core operating profit grew, benefiting from structural reforms



ELIXIR Lift Moisturizing Lotion ba

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” and we have made steady progress in improving profitability through our continued efforts on fixed cost reduction. During the year, we delivered growth with core brands led by *SHISEIDO* and *ELIXIR*, benefitting primarily from the strength of new products infused with cutting-edge technology. On the contrary, while the number of foreign visitors to Japan surged to a record high in the year, inbound sales in the Business decelerated owing primarily to the changes in consumption behavior of foreign visitors coupled with their fading appetite for spending in light of the increasing price convergence in domestic and overseas markets.

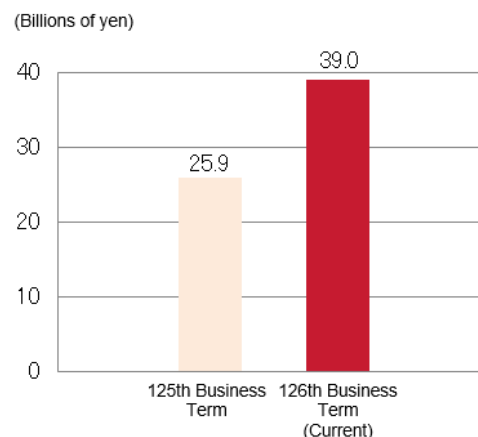
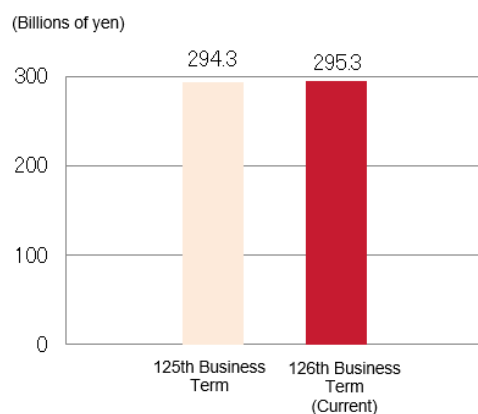
As a result, we ended the period with net sales of ¥295.3 billion, up 0.4% year-on-year on a reported basis, or up 0.7% year-on-year on a like-for-like basis excluding the impacts of business transfers. Core operating profit was ¥39.0 billion with a year-on-year increase of ¥13.1 billion, primarily reflecting the positive impacts from a year-on-year increase in gross profit driven by higher sales as well as the benefits of structural reforms.

Net Sales: ¥295.3 billion

Year-on-year change: +0.4%
(Like for like: +0.7%)

Core Operating Profit ¥39.0 billion

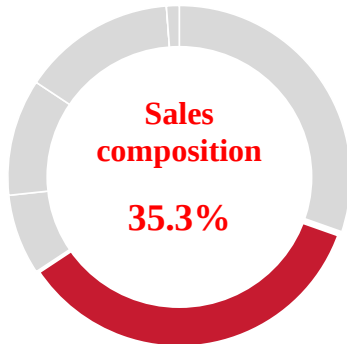
Year-on-year change: +¥13.1 billion



China & Travel Retail Business

Decline in consumer spending is weighing on our sales but saw a recovery

E-commerce continues to grow



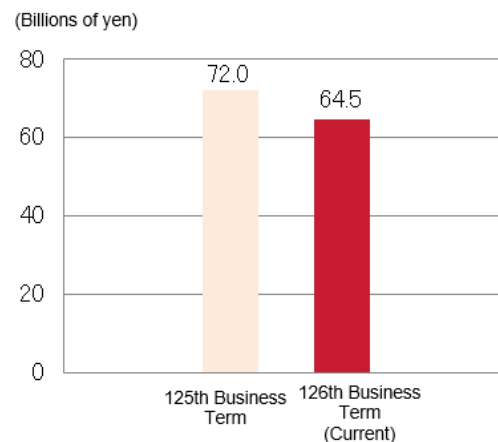
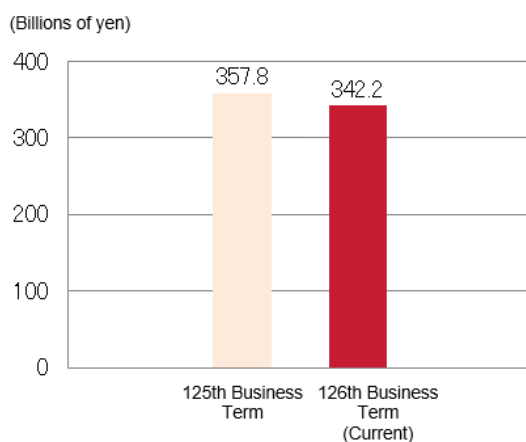
Clé de Peau Beauté Key Radiance Care

In the China & Travel Retail Business, while the Business was unfavorably impacted by the decline in consumer spending amid worsening economic sentiment, signs of recovery were seen in the latter half of the year. In China, *Clé de Peau Beauté* and *NARS* drove growth particularly in the e-commerce channels, fueled by the strong sales during “Double 11,” the largest e-commerce event in China. In Travel Retail (sales of cosmetics and fragrances primarily through airport and downtown duty-free stores), while the Business was benefitted from a steady shift towards a business model focused on tourists, sales declined year-on-year amid ongoing challenges due to declining consumer spending by Chinese tourists in China and South Korea.

As a result, net sales were ¥342.2 billion, down 4.3% year-on-year on a reported basis, down 3.5% on a FX-neutral basis, or down 3.5% year-on-year on like-for-like basis excluding the impacts of foreign exchange translation and business transfers. Core operating profit decreased ¥7.5 billion year-on-year to ¥64.5 billion, with a decline in gross profit from lower sales being partially offset by the positive impacts of structural reforms including fixed cost reductions.

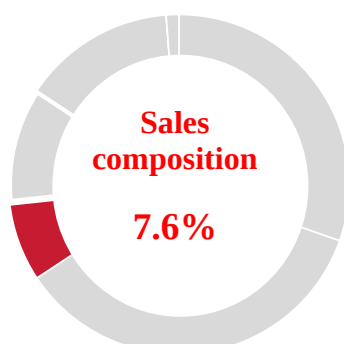
Net Sales: ¥342.2 billion
Year-on-year change: -4.3%
(FX-neutral basis: -3.5%)
(Like for like: -3.5%)

Core Operating Profit: ¥64.5 billion
Year-on-year change: -¥7.5 billion



Asia Pacific Business

Delivered strong growth mainly in Southeast Asia, despite the impact of market contraction in Taiwan and other regions



NARS The Multiple

In the countries and regions of the Asia Pacific Business, while the Business continued to be unfavorably affected by the market contraction in Taiwan, sales increased year-on-year driven primarily by the markets in Southeast Asia particularly Thailand and South Korea, with our key brands such as *Clé de Peau Beauté*, *SHISEIDO* and *ELIXIR* being the key drivers of growth.

As a result, net sales were ¥73.3 billion, up 2.3% year-on-year on a reported basis, up 1.4% year-on-year on a FX-neutral basis, or up 1.8% year-on-year on a like-for-like basis excluding the impacts of foreign exchange translation and business transfers. Core operating profit increased ¥0.2 billion year-on-year to ¥5.1 billion, owing primarily to an increase in gross profit driven by higher sales.

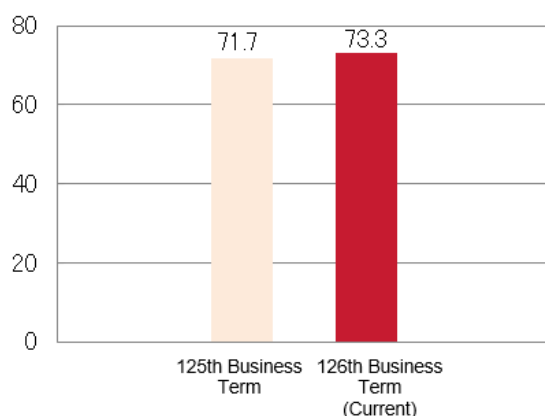
Net Sales: ¥73.3 billion

Year-on-year change: +2.3%
(FX-neutral basis: +1.4%)
(Like for like: +1.8%)

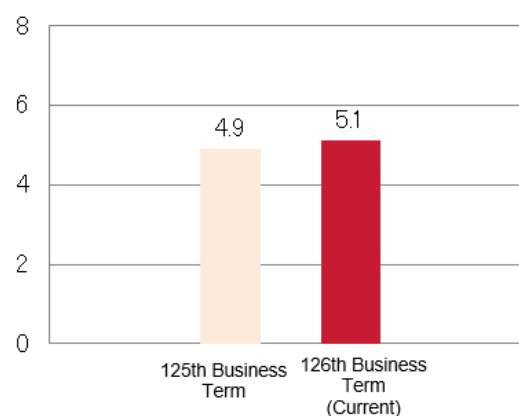
Core Operating Profit: ¥5.1 billion

Year-on-year change: +¥0.2 billion

(Billions of yen)

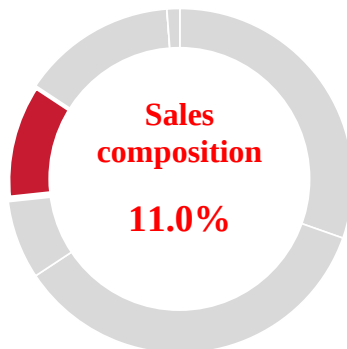


(Billions of yen)



Americas Business

***Drunk Elephant* posted a year-on-year revenue decline due to challenging environment**



SHISEIDO ULTIMUNE Power Infusing Serum

In the Americas Business, while we delivered a year-on-year revenue growth with *SHISEIDO* and *Clé de Peau Beauté*, overall, we posted a year-on-year revenue decline weighted down by the ongoing challenges with *Drunk Elephant* as well as *NARS*, which was primarily impacted by the differences in the timing of shipping deliveries.

As a result, net sales were ¥106.6 billion, down 10.1% year-on-year on a reported basis, down 8.7% on a FX-neutral basis, or down 9.5% year-on-year on a like-for-like basis excluding the impacts of foreign exchange translation, business transfers and acquisitions. Core operating loss increased year-on-year by ¥2.3 billion to ¥11.6 billion, due to the decline in profit driven by lower gross profit from weaker sales, a higher cost of sales ratio, and the U.S. tariff impact being partially offset by the positive impacts of structural reforms including fixed cost reductions.

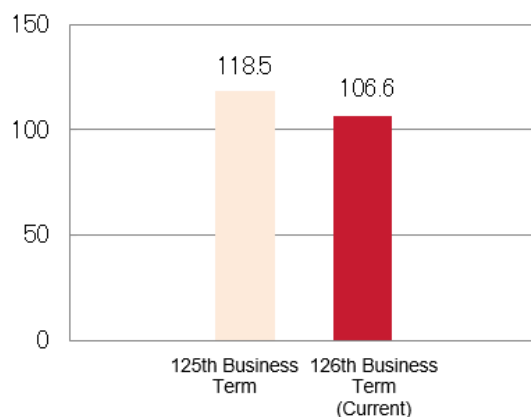
Net Sales: ¥106.6 billion

Year-on-year change: -10.1%
(FX-neutral basis: -8.7%)
(Like for like: -9.5%)

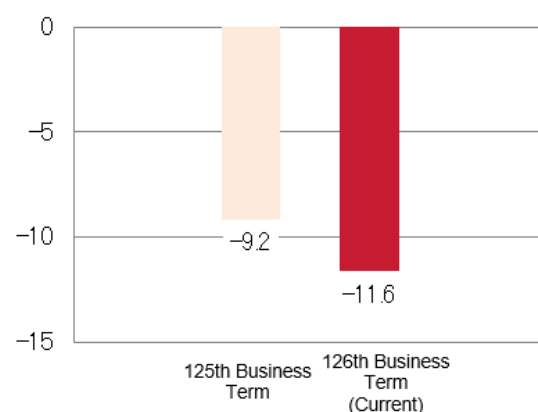
Core Operating Profit: -¥11.6 billion

Year-on-year change: -¥2.3 billion

(Billions of yen)

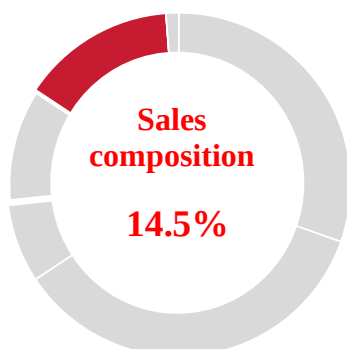


(Billions of yen)



EMEA Business

Fragrances drove growth, benefitting from strategic marketing activities and the launch of a new product



Zadig&Voltaire Zadig Perfume

In the EMEA Business, while the Business continued to be affected by the ongoing challenge with *Drunk Elephant*, the Fragrances demonstrated robust growth fueled by *Zadig&Voltaire* and *narciso rodriguez* which benefitted from the new products launches.

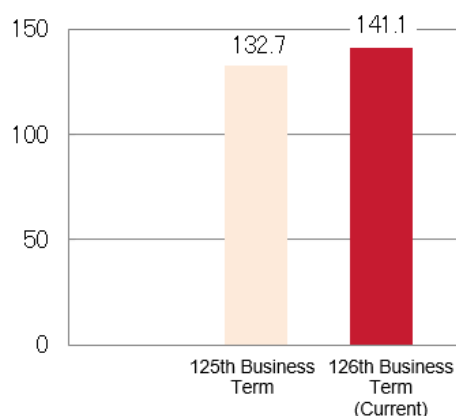
As a result, net sales were ¥141.1 billion, up 6.4% year-on-year on a reported basis, up 3.1% year-on-year on a FX-neutral basis, or up 3.2% year-on-year on a like-for-like basis excluding the impacts of foreign exchange translation and business transfers. Core operating profit increased ¥1.3 billion year-on-year to ¥ 3.9 billion albeit a higher gross profit driven by sales growth being partially offset by the strategic increase in marketing investments.

Net Sales: ¥141.1 billion
Year-on-year change: +6.4%
(FX-neutral basis: +3.1%)
(Like for like: +3.2%)

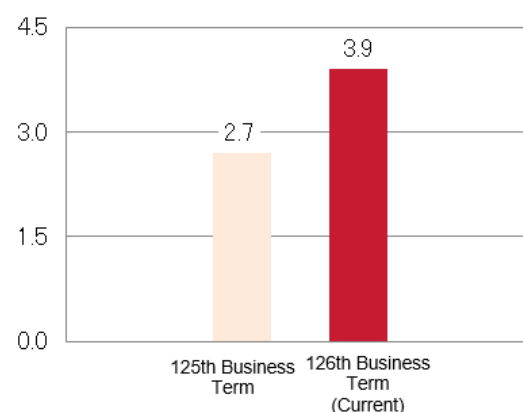
Core Operating Profit: ¥3.9 billion

Year-on-year change: +¥1.3 billion

(Billions of yen)



(Billions of yen)



(2) Capital Expenditures

	Investment (Millions of yen)	Purpose of Investment
Property, Plant and Equipment	24,182	Renovation and renewal of production facilities
Intangible Assets	18,791	Global expansion of core IT system
Total	42,974	

Note: Capital expenditures: Includes capital expenditures, and investments in property, plant and equipment and intangible assets (excluding trademarks). Right-of-use assets are not included.

(3) Financing

The Company arranged financing via bank loans of ¥50 billion during the fiscal year to use the funds for the redemption of bonds and repayment of existing bank loans.

(4) Summary of Consolidated Profit and Assets of the Shiseido Group

	(Millions of yen, unless otherwise noted)			
	123rd Business Term (1/1/2022 - 12/31/2022)	124th Business Term (1/1/2023 - 12/31/2023)	125th Business Term (1/1/2024 - 12/31/2024)	126th Business Term (Current term) (1/1/2025 - 12/31/2025)
Net Sales	1,067,355	973,038	990,586	969,992
Core Operating Profit	51,340	39,842	36,359	44,520
Core Operating Profit Margin (%)	4.8	4.1	3.7	4.6
Profit (Loss) Attributable to Owners of Parent	34,202	21,749	(10,813)	(40,680)
Comprehensive Income (Loss)	89,061	59,488	41,142	(10,474)
Total Assets	1,307,661	1,255,497	1,331,848	1,267,256
Total Equity	625,754	640,392	654,643	621,270
Equity Attributable to Owners of Parent per Share (Yen)	1,512.36	1,548.20	1,583.47	1,503.64
Cash Flows from Operating Activities	46,735	89,026	48,403	109,890
Cash Flows from Investing Activities	(41,308)	(35,536)	(83,738)	(43,424)
Cash Flows from Financing Activities	(52,418)	(75,642)	23,357	(77,248)
Cash and Cash Equivalents at End of Year	119,036	104,685	98,479	91,839

(5) Capital Policy

1) Fundamental Approach to Capital Policy (As of December 31, 2025)

The Company endeavors to maintain its shareholders' equity at a certain level in order to invest promptly and decisively when considered necessary in order to ensure sustainable growth. In addition, the Company places importance on increasing the efficiency of working capital with an emphasis on free cash flow and days sales in inventory, and practices management focused on ensuring capital efficiency by reinforcing its management of cash flows and its balance sheet.

The Company arranges financing making timely use of optimal financing methods taking into account the market environment and other factors, and accordingly targets a net debt-to-EBITDA ratio of 0.5 in order to maintain a single-A credit rating which enables it to obtain financing on favorable terms. However, upon considering the Company's future earnings ability and capability to generate cash flows, we will review these indices in conjunction with the shareholder return policy in order to develop an optimal capital structure that contributes to further heightening capital efficiency.

The Company's total shareholder return policy emphasizes maximizing returns to shareholders through direct means, in addition to generating medium-to long-term share price gains. To this end, our fundamental policy is to give highest priority to strategic investments aimed at sustainable growth in order to increase profits and improve capital efficiency, which will lead to medium-to long-term increases in dividends and higher share prices.

The Company focuses on consolidated financial performance and free cash flow in determining dividends and have set a dividend on equity attributable to owners of the parent (DOE) of 2.5% or higher as one of the metrics that reflect our capital policy for ensuring stable and consistent growth in shareholder returns over the long term. Our policy with respect to share buybacks is to remain flexible and make such decisions based on the market environment.

2) Profit Distribution

	123rd Business Term (1/1/2022 - 12/31/2022)	124th Business Term (1/1/2023 - 12/31/2023)	125th Business Term (1/1/2024 - 12/31/2024)	126th Business Term (Current term) (1/1/2025 - 12/31/2025)
Annual cash dividends per share (Yen)	100 (including a commemorative dividend of ¥50)	60	40	40 (Plan)
Annual dividends (Millions of yen)	39,954	23,978	15,985	15,981 (Plan)
Consolidated payout ratio (%)	116.8	110.2	–	– (Plan)
DOE (%)	7.0	3.9	2.6	2.6 (Plan)

Notes:

- Figures of each item for the 126th Business Term (current term) are predicated on the approval of the First Item of Business (Dividends of Retained Earnings) as originally proposed at the annual general meeting of shareholders to be held on March 25, 2026.
- Consolidated payout ratio for the 125th Business Term and the 126th Business Term (current term) is not shown because the amount of profit attributable to owners of parent is negative.

(6) Issues to Be Addressed

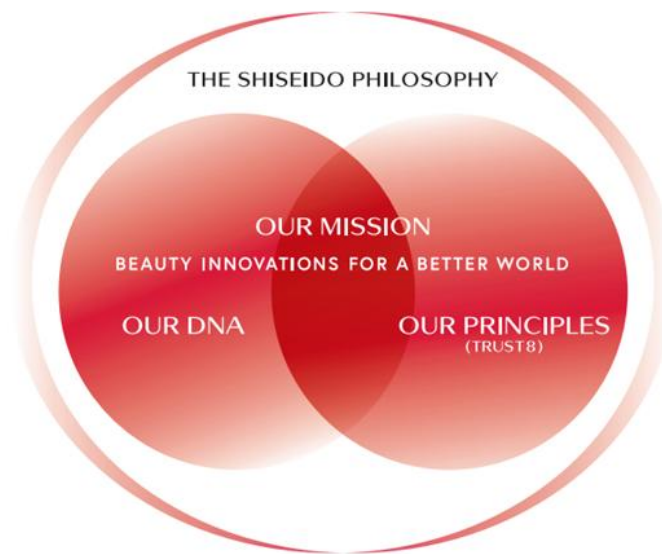
1) THE SHISEIDO PHILOSOPHY

Since our founding in 1872, we have been committed to serving our customers and contributing to society through our expertise in beauty and wellness. In 2019, we adopted THE SHISEIDO PHILOSOPHY, the guiding light in our quest to become the world's most trusted beauty company and remain vital for the next 100 years and beyond. Our corporate philosophy is at the heart of everything we do at Shiseido, uniting us across countries, regions, organizations, and brands.

THE SHISEIDO PHILOSOPHY consists of:

1. OUR MISSION, which is the reason we exist since our founding
2. OUR DNA embodies our unique heritage of over 150 years
3. OUR PRINCIPLES serve as the working principles we live by

THE SHISEIDO PHILOSOPHY



OUR MISSION

BEAUTY INNOVATIONS FOR A BETTER WORLD

We believe that beauty inspires hope and empowers happiness, contributing to a world of wellness and a lifetime of fulfillment for all.

Since our founding, we have been dedicated to discovering and creating new value, unlocking the possibilities of beauty to bring happiness to all.

We have always been—and always will be—committed to creating a sustainable world of beauty and wellness.

Creating a better world through the power of beauty.

That is our mission.

Under the above corporate mission, we have set our Vision as “By connecting with people, we pursue, create, and share new beauty, enriching everyone’s lives.” To realize this Vision, we established The Shiseido Way, which outlines the mindset and behaviors of “Shiseido JIN (people),” and partially revised The Shiseido Philosophy in January 2026.

For more information on The Shiseido Philosophy, please visit our corporate website at: <https://corp.shiseido.com/en/company/philosophy/>

2) 2030 Medium-Term Strategy

Shiseido Group has announced its new “2030 Medium-Term Strategy,” setting its sights on the year 2030. In formulating our strategy, we re-identified material issues in light of the changes in the current business environment and through research and dialogue with multiple stakeholders. These material issues are classified into four areas: (i) Lifelong QOL improvement through diverse “power of beauty;” (ii) Resilient management foundation building; (iii) Talent and organizations to create beauty value; and (iv) Harmonization with nature (Circular Manufacturing). To address these issues, we have established three strategic pillars — “Accelerate Growth with Brand Power,” “Evolve Global Operations,” “Drive Sustainable Value Creation” — and will promote initiatives that leverage our core strengths.

In our previous strategy, “SHIFT 2025 and Beyond,” along with the “Action Plan 2025-2026,” we focused on the selection and concentration of key brands and implementing fundamental global structural reforms to fortify our business foundation. Building upon this solid base, the new strategy aims to maximize brand value through various initiatives, fostering a virtuous cycle that enables reinvestment in new value creation essential for sustainable growth. Through these efforts, we will strive to maximize both corporate and social value.

Our new Vision is: “By connecting with people, we pursue, create, and share new beauty, enriching everyone’s lives.” To embody this Vision, we are reaffirming our 2005 slogan, “In every moment, in every life, beauty,” with a renewed interpretation that reflects the future we aspire to.

2030 Medium-Term Strategy Overview

Accelerate the Creation of Corporate and Social Value Built on Our Strengths

Materiality*	Strategic Pillars	Initiatives			
Lifelong QOL improvement through diverse “power of beauty”	Pillar 1: Accelerate growth with brand power	Grounded in our strengths: identify focus categories and build the portfolio			Enhance value communication: build deeper connections with consumers
		1) Maximize innovation by leveraging technological strengths	2) Accelerate growth by expanding our global reach	3) Create new markets through expansion into new categories and domains	
Resilient management foundation building	Pillar 2: Evolve global operations	Global-wide optimization across the value chain		Strategic use of digital technologies and AI	Advancement of the matrix organization
Talent and organizations to create beauty value	Pillar 3: Drive sustainable value creation	Enhanced talent development and corporate culture		Create social value through DE&I	Address social issues through appropriate environmental actions
Harmonization with nature (Circular Manufacturing)					

For more details on 2030 Medium-Term Strategy, please visit our corporate website at: <https://corp.shiseido.com/en/ir/strategy/>.

3) Efforts to Create Social Value

Our Approach to Sustainability

Our aim of “By connecting with people, we pursue, create, and share new beauty, enriching everyone’s lives” towards 2030 through the value of beauty has been cultivated since the Company’s founding based on our corporate mission of BEAUTY INNOVATIONS FOR A BETTER WORLD. The creation of sustainable value is one important pillar of our management strategy, and we are working on initiatives across the entire company to create social value through our business and to solve social and environmental issues.

A System for Promoting Sustainability

We work to promote sustainability across the entire company through our brands and regional businesses. The Sustainability Committee was set up to ensure timely management decisions related to sustainability efforts and their proper implementation across the Group, the committee was held regularly. The Sustainability Committee makes decisions on specific action plans, strategic actions and policies related to sustainability for the entire Group, risks and opportunities associated with such factors as climate change and the natural environment, and initiatives to address human rights. The committee also monitors the progress of medium- to long-term targets in our sustainability strategy. The committee consists of the representative corporate executive officers, executive officers in charge of Corporate Strategy, Finance, R&D, Supply Network, Human Resources, DE&I, Corporate Communications, and our brand holders, as well as other executive officers from different fields, allowing us to discuss a range of issues from different perspectives¹. In addition, important matters in the execution of business, which require approvals are proposed or reported to the Global Strategy Committee or the Board of Directors.

We publish an annual sustainability report² in which we disclose the medium- to long-term targets we have for actions that can be taken toward sustainability in our business, as well as our progress toward those goals. We also promote sustainable initiatives through long-term incentive-type remuneration for leaders in key positions in Japan and overseas, including corporate executive officers and executive officers, by utilizing multiple internal and external targets concerning Environmental, Social, and Governance (ESG) targets, including CO₂ emissions³ reductions and female ratio in managerial positions.

1: The Company launched a new organizational structure on January 1, 2026, and from that day, Executive Officers in the text are referred to as Chief Officers and Division Officers. In addition, we also made partial changes to the areas of responsibility for each officer in association with the launch of this new structure.

2: The latest Sustainability Report can be found here: <https://corp.shiseido.com/en/sustainability/report.html>

3: Greenhouse gases (GHGs) can include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃, but in this report, GHGs specifically refer to CO₂.

Medium-to Long-Term Targets

Environment

Strategic Action	Targets			Target Year ⁴
Reducing our environmental footprint	CO ₂ emissions reduction	Scope 1 and Scope 2 ⁵	-46.2% ⁶ (SBTi validation)	2030
		Scope 3	-55% ⁷ (SBTi validation)	2030
	Reduction of water consumption		-40% ⁸	2026
Developing sustainable products	Switching to sustainable packaging ⁹		100%	2025
Promoting sustainable and responsible procurement	Replacement with sustainable palm oil ¹⁰		100%	2026
	Replacement with sustainable paper ¹¹		100%	2023 (Continued in 2025)

4: Actual results for 2025 will be disclosed in the Sustainability Report to be issued in 2026

5: Includes our goal of achieving carbon neutrality by 2026 (covering all our sites, including carbon offsetting)

6: At all our sites (compared to 2019)

7: Economic intensity target throughout our value chain, excluding our sites (compared to 2019)

8: Economic intensity across all our sites (compared to 2014)

9: For plastic containers

10: Certified under RSPO's physical supply chain model, based on identity preserved, segregation, and/or mass balance, measured in palm oil equivalent weight

11: Including certified paper or recycled paper used in products, measured by paper weight

Society

Strategic Action	Targets		Target Year
Advancing gender equality	Ratio of women leaders at all levels in Japan	50%	2030
	- Women's empowerment in Japan - Supporting education and financial independence for socially vulnerable women worldwide	One million people (reached directly)	2030
Empowering people through the power of beauty	- Cultivating self-efficacy through the power of beauty - Challenging the unconscious biases and prejudices that limit individual beauty	One million people (reached directly)	2030

Initiatives for Climate Change and Biodiversity

To achieve sustainable business growth, it is essential to address global environmental challenges, especially in climate change, biodiversity loss, and plastic pollution. In recent years, the impact of economic activities on the natural environment has been growing on a global scale and companies are required to both grow and reduce their environmental impact. The Company has identified issues and set long-term targets from a value chain perspective and is developing initiatives for the entire company.

As part of our response to climate change, we established our Environmental Policy as a prerequisite for solving environmental issues and are promoting initiatives to reduce environmental footprint across our entire value chain. Moving ahead toward 2030, we have set CO₂ emission reduction targets for scopes 1, 2, and 3, validated by Science Based Targets initiative (SBTi)*¹, and aims to achieve net-zero emissions by 2050. In addition, we are working towards switching to 100% renewable electricity for business operations and accelerating the initiative at domestic and global sites. All 11 factories, our own distribution centers and all Shiseido Japan's own buildings have already transitioned to 100% renewable electricity. These initiatives have been recognized, and the Company was selected as an A-List company, the highest rating by CDP*², in the categories of Climate Change and Water Security in 2025. CDP operates the world's one of the biggest environmental disclosure systems, and the Company has achieved an A rating in both categories for the second consecutive year.

As part of our response to biodiversity, we utilize frameworks of the Taskforce on Nature-related Financial Disclosures (TNFD)*³ to assess the relationship between our business activities and nature. Through these assessments, we have identified significant dependencies and impacts on nature, particularly raw material procurement. Given the considerable biodiversity impact of palm oil and paper sourcing, we announced medium- to long-term sustainability targets for these materials in 2020 and have been promoting a transition to more sustainable raw materials and clarifying traceability, among other things, to mitigate risks. In addition, one action to address biodiversity is our work on preserving biodiversity at our own sites. In March 2025, the green space within the Kakegawa factory site was certified as a biodiversity preservation area under the Ministry of the Environment's "Nationally Certified Sustainably Managed Natural Sites" scheme. In addition, we analyze the risks and opportunities of environmental issues combining climate change and biodiversity using double materiality and visualize the financial impacts. We disclosed the details in 2025 in the "Shiseido Climate/Nature-related Financial Disclosure Report"*⁴.

1: A global initiative that promotes the setting of science-based greenhouse gas emission reduction targets for companies to achieve the targets of the Paris Agreement

2: A non-profit organization that operates a global system for environmental information disclosure by companies and municipalities

3: Task Force on Nature-related Financial Disclosures

4: The Shiseido Climate/Nature-Related Financial Disclosure Report is available here:

https://corp.shiseido.com/en/sustainability/env/pdf/risks_report.pdf



Marking the fourth consecutive year of selection for Climate Change and the second consecutive year for Water Security



A certification system aimed at expanding the area planned for preservation of biodiversity through measures including private sector initiatives. This is based on the 30by30 target, which aims for effective preservation of more than 30% of land and oceans as healthy ecosystems by 2030 under the Kunming-Montreal Global Biodiversity Framework

Developing sustainable products

We perceive climate change and marine plastic waste issues as urgent global environmental issues, and we are strengthening our efforts to develop sustainable products. Through innovation that is in line with Shiseido's 5Rs*¹ policy for packaging development, we worked on initiatives for plastic packaging to achieve our target of 100% sustainable packaging by 2025. These include encouraging refills to promote reusing packaging, recyclable design through mono-materialization, review of materials, and reducing packaging weight*². Furthermore, looking ahead to 2030 and based on our targets for plastic packaging to date, we actively used recyclable materials and bio-based materials for container materials, including glass and other containers, and set a new target to lift their usage percentage to 15%. In addition, we set a target for plastic packaging, which is composed of PET (Polyethylene terephthalate), to achieve 30% use of PCR (post-consumer recycled) materials, further promoting recycling-oriented manufacturing.

In October 2025, Chanel LLC and FANCL Corporation joined the circular model project, BeauRing, promoted by the Company with POLA ORBIS HOLDINGS INC. in an expansion of the number of collection box locations.

Since our first sales of refillable packaging in 1926, the Company has developed containers that can be refilled and reused in a wide range of categories, including skincare and makeup. This applies not only to key brands such as SHISEIDO, *Clé de Peau Beauté* and *ELIXIR*, but also to brands across the Company in various categories, both domestically and globally, where we are promoting the transition to sustainable packaging. *IPSA ME n*, which was launched in August 2025, adopted the *LiquiForm®* manufacturing technology that reduces the environmental footprint as a dispenser pump container. Through this, the volume of plastic used in each container can be reduced by about 56% and CO₂ emissions can be reduced by about 48%*³ compared to the current product. In addition, for the *SHISEIDO ULTIMUNE™ Power Infusing Serum*, which was launched in March 2025, initiatives including the reduction in the number of parts and the recycled glass adoption rate of 15% or more, proved a success in making it 20% lighter while preserving a sense of feeling substantial. Compared to the normal package, the refills can reduce plastic waste by 93%. Due to this initiative, *IPSA ME n* won the Minister of Economy, Trade and Industry Award at the highest Japan Star Award, and *SHISEIDO ULTIMUNE™ Power Infusing Serum* won the packaging category award at the 47th 2025 Japan Packaging Contest, convened by the non-profit incorporated association, the Japan Packaging Institute.

We also aim to contribute to reduction of the environmental footprint through the product life cycle while realizing a circular economy.

1: Packaging development policy: Respect, Reduce, Reuse, Recycle, and Replace.

2: Actual results for 2025 will be disclosed in the Sustainability Report to be issued in 2026

3: Comparing the volume of plastic and greenhouse gas emissions for refill packages at the Company around the time of renewal. Third party verification with SuMPO EPD has already been obtained for the greenhouse gas emissions for packages (ISO14025 compliant)



IPSA ME n 1 to 8



SHISEIDO ULTIMUNE Power Infusing Serum

Commitment to Social Issues

Diversity, Equity & Inclusion (DE&I) is an important initiative for the Company to achieve our corporate mission. We foster an organizational culture that utilizes various perspectives and creates innovation by recognizing and respecting differences including gender, age and nationality.

The Company spreads the insights on DE&I that we have cultivated over many years to society through our employees, business and brands and connects this to the creation of sustainable value.

In the social domain, we have identified “Advancing Gender Equality” and “Empowering People through the Power of Beauty” as strategic action areas, and are working globally to support one million people in each by 2030. Additionally, we are committed to respecting the human rights of all stakeholders, including employees, consumers, and suppliers.

In terms of “Advancing Gender Equality,” we aim to achieve 50% representation of women in leadership roles across all levels in Japan by 2030. As of January 2026, women comprised 43.3% of leaders at all levels in Japan (preliminary figure). We convened the first Shiseido DE&I Lab Symposium in March 2025, and shared case studies on gender diversity and DE&I promotion in the workplace with 1,287 participants, including HR divisions of other companies.

In initiatives related to “Empowering People Through the Power of Beauty,” through programs such as Shiseido Life Quality Makeup for those with serious skin concerns like birthmarks, vitiligo, and appearance changes from cancer treatment and the LAVENDER RING MAKEUP & PHOTOS WITH SMILES supporting people living with cancers, we engage in activities that promote physical, mental, and social well-being for individuals facing various challenges. In February 2025, we completely renewed the SLQM exclusive brand *Perfect Cover* as the brand approached its 30-year anniversary, and expanded colors to reflect globally diverse skin tones. We are expanding our diverse beauty offerings globally such as commencing an initiative in collaboration with the Association Française du Vitiligo (the French Vitiligo Association).

Apart from this, we released makeup technique information in “Expressing Your True Colors: A Makeup Guide for Transgender Women and Non-Binary Individuals” to address the various needs of those in the LGBTQ+ community, creating contact points for new customers. As for initiatives to improve accessibility, we commenced the online beauty consultation service, Online Beauty, using sign language and chat functions for the deaf and hard of hearing in 2024, and this service was ramped up to full scale in 2025. To nurture the next generation, the sunscreen brand *ANESSA* expanded the *ANESSA Sunshine Project*, an initiative that supports outside play in the sun, to 12 countries and regions in Asia, building a next generation loyal user base.

To deepen employee understanding and affinity with DE&I, we have hosted Diversity Week, as an awareness event focused on understanding gender equality, LGBTQ+ and disability. Employee resource groups within the company speak at the events and contribute to bottom-up promotion of DE&I. Furthermore, we globally rolled out e-learning on inclusive marketing for employees in charge of marketing to enhance their DE&I literacy.

Our efforts have been recognized externally with our selection as a “Nadeshiko Brand” for five consecutive years. Nicole Tan, CEO of Shiseido Asia Pacific, was selected as one of Fortune

magazine's Most Powerful Women Asia 2025. In the PRIDE Index, which evaluates workplace initiatives for LGBTQ+, nine group companies in Japan*1 achieved the highest Gold rating and three of those group companies*2 received Rainbow Certification, which celebrates social transformation through support for LGBTQ+.

As for respect for human rights, we conducted our third human rights risk assessment of the entire Shiseido group, and monitored the progress in human rights risk mitigation. We are striving to prevent human rights risks and have formulated the Responsible Marketing and Advertising Policy and the Shiseido Group Accessibility Statement, which had been identified as issues in the previous assessment.

We will continue to harness the power of diversity to create a more inclusive society, while also striving to enhance sustainable corporate value through solving social issues.

1: Shiseido Company, Limited, Shiseido Japan Co., Ltd., Japan Retail Innovation Co., Ltd, EFFECTIM Co., Ltd., THE GINZA Co., Ltd., KODOMOLOGY Co., Ltd., SHISEIDO ASTECH Co., Ltd., HANATSUBAKI FACTORY Co., Ltd., and SHISEIDO CREATIVE Co., Ltd.

2: Shiseido Company, Limited, Shiseido Japan Co., Ltd., and SHISEIDO CREATIVE Co., Ltd.



Nadeshiko Brand logo



PRIDE Index and Rainbow Certification logos

Commitment to People and Organization

Shiseido positions people as the source of value creation under the “PEOPLE FIRST” concept, and we have worked aggressively to strengthen our people and organization. In 2025, we focused on building a resilient business structure to achieve sustainable profit growth amid market volatility based on the “Action Plan 2025-2026.” We promoted skill development and continued to utilize Shiseido Future University and LinkedIn Learning amid the internal structural reforms so that employees can access opportunities for various challenges. In addition, we held multiple events including Brand Day and Diversity Week to foster an inclusive organizational culture and will continue to support and promote the active participation of women employees, employees with disabilities, and employees with childcare responsibilities.



Brand Day



Diversity Week

In addition, to realize this corporate mission, we believe it is essential that employees lead a healthy, prosperous, and happy life and embody their healthy beauty. Accordingly, we recognize that employee health and occupational health and safety are important issues, and have worked towards the creation of a safe and secure working environment. These efforts have been externally recognized, receiving 2025 Certified Health & Productivity Management Outstanding Organizations (White 500), and the Promotion Award at the Women's Health Management® Awards sponsored by the non-profit incorporated association Women's Healthcare Awareness & Menopause Network Society.



2025 Certified Health & Productivity Management Outstanding Organizations (White 500) logo



Women's Healthcare Awareness & Menopause Network Society logo

To understand how these initiatives impact our people and organization, we monitor the changes using engagement scores and analyze the impact and issues. In 2025, the Shiseido Group and its affiliates conducted an engagement survey of all directly hired employees, achieving a response rate of 91%. The proportion of positive responses across the three questions used to calculate the engagement score was 71% globally. By individual items, “satisfaction with the company” (74%) and “willingness to contribute to the company” (74%) recorded relatively high scores, while “work engagement and sense of fulfillment” (65%) was comparatively lower. Going forward, we will focus on creating an environment that encourages and supports more employees to proactively take on challenges, grow, and experience a strong sense of fulfillment in their work.

Taking seriously the current state of our people and organization after the structural reforms, we formulated a new people strategy to support the execution of the “2030 Medium-Term Strategy,” which was announced in November 2025. The strategy is built on three pillars: “Increase opportunities to take on new challenges”, “Embody Shiseido’s core values”, and “Foster a globally unified organization”. We will continue to enforce the investment in our people and organization and prepare an environment where employees can grow as “Shiseido JIN (people)” who can share exceptional and enduring value with the world even during difficult times.

Through these initiatives, we strive to create a legacy that will continue to shape the beauty industry around the world for the next 100 years. We sincerely appreciate the continued support of our shareholders.

1.2 Outline of the Shiseido Group (As of December 31, 2025)

(1) Principal Businesses of the Shiseido Group

Segment	Principal Business
Japan Business	Cosmetics business (sale of cosmetics and cosmetic accessories, etc.) and Healthcare business (sale of beauty foods and over-the-counter drugs), etc. in Japan
China & Travel Retail Business	Cosmetics business in China and worldwide duty-free stores (production and sale of cosmetics and cosmetic accessories), etc.
Asia Pacific Business	Cosmetics business in Asia and Oceania excluding Japan and China (production and sale of cosmetics, and cosmetic accessories), etc.
Americas Business	Cosmetics business in the Americas (production and sale of cosmetics and cosmetic accessories), etc.
EMEA Business	Cosmetics business in Europe, Middle East and Africa (production and sale of cosmetics and cosmetic accessories), etc.
Other	Restaurant business, etc.

(2) Major Business Hubs

Registered Head Office (Ginza Office): 5-5, Ginza 7-chome, Chuo-ku, Tokyo

Principal Business Office (Shiodome Office): 6-2, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo

Factories:

Name	Location
Shiseido Kakegawa Factory	Kakegawa-shi, Shizuoka Pref.
Shiseido Osaka Factory	Higashi-Yodogawa-ku, Osaka-shi, Osaka Pref.
Shiseido Nasu Factory	Ohtawara-shi, Tochigi Pref.
Shiseido Osaka Ibaraki Factory	Ibaraki-shi, Osaka Pref.
Shiseido Fukuoka Kurume Factory	Kurume-shi, Fukuoka Pref.
Shiseido Cosmetics Manufacturing Co., Ltd.	Shanghai, China
Shiseido Liyuan Cosmetics Co. Ltd.	Beijing, China
Taiwan Shiseido Co., Ltd. Hsinchu Factory	Hsinchu County, Taiwan
Shiseido America, Inc. East Windsor Factory	East Windsor, New Jersey, U.S.A.
Shiseido International France S.A.S. Unité du Val de Loire	Ormes, Loiret, France
Shiseido International France S.A.S. Unité de Gien	Gien, Loiret, France

Laboratories:

Name	Location
Shiseido Global Innovation Center	Nishi-ku, Yokohama-shi, Kanagawa Pref.
Shiseido China Innovation Center, Shanghai Zhangjiang Branch	Shanghai, China
Shiseido China Innovation Center, Shanghai Fengxian Branch	Shanghai, China
Shiseido China Innovation Center, Shanghai Zhangjiang Second Branch	Shanghai, China
Shiseido Americas Innovation Center	East Windsor, New Jersey, U.S.A.
Shiseido Europe Innovation Center	Ormes, Loiret, France

(3) Major Subsidiaries of the Shiseido Group

Company Name	Location	Paid-in Capital	Ownership Percentage of Voting Rights	Principal Business
Shiseido Japan Co., Ltd.	Chuo-ku, Tokyo	(million JPY) 100	% 100.0	Sale of cosmetics, etc.
Shiseido International Inc.	Chuo-ku, Tokyo	(million JPY) 30	100.0	Sale of cosmetics, etc.
Shiseido FITIT Co., Ltd.	Chuo-ku, Tokyo	(million JPY) 10	100.0	Sale of cosmetics, etc.
Shiseido (China) Co., Ltd.	Shanghai, China	(thousand CNY) 565,093	100.0	Holding company and sale of cosmetics, etc. in China
Shiseido Hong Kong Ltd.	Hong Kong, China	(thousand HKD) 123,000	100.0	Sale of cosmetics, etc.
Shiseido Commercial (Shanghai) Co., Ltd	Shanghai, China	(thousand CNY) 10,000	— (100.0)	Sale of cosmetics, etc.
Shiseido Liyuan Cosmetics Co. Ltd.	Beijing, China	(thousand CNY) 94,300	32.0 (65.0)	Production and sale of cosmetics, etc.
Taiwan Shiseido Co., Ltd.	Taoyuan, Taiwan	(thousand TWD) 1,154,588	51.0	Holding company and production and sale of cosmetics, etc. in Taiwan
Shiseido Asia Pacific Pte. Ltd.	Singapore	(thousand SGD) 49,820	100.0	Holding company and sale of cosmetics, etc. in Asia Pacific region
Shiseido Americas Corp.	Delaware, U.S.A.	(thousand USD) 403,070	100.0	Holding company and sale of cosmetics, etc. in Americas
Shiseido America Inc.	New York, U.S.A.	(thousand USD) 28,000	— (100.0)	Production of cosmetics, etc.
Beauté Prestige International S.A.S.	Paris, France	(thousand EUR) 32,937	— (100.0)	Sale of cosmetics, etc.
Shiseido Italy S.p.A.	Milan, Italy	(thousand EUR) 5,036	— (100.0)	Sale of cosmetics, etc.
Shiseido Germany GmbH	Düsseldorf, Germany	(thousand EUR) 8,700	— (100.0)	Sale of cosmetics, etc.
Shiseido (RUS) LLC	Moscow, Russia	(thousand RUB) 106,200	— (100.0)	Sale of cosmetics, etc.
Shiseido International France S.A.S.	Paris, France	(thousand EUR) 36,295	— (100.0)	Production of cosmetics, etc.

Company Name	Location	Paid-in Capital	Ownership Percentage of Voting Rights	Principal Business
Shiseido Europe S.A.	Paris, France	(thousand EUR) 257,032	100.0	Holding company in Europe
Shiseido Travel Retail Asia Pacific Pte. Ltd.	Singapore	(thousand USD) 48	— (100.0)	Sale of cosmetics, etc.
Shiseido Beauty Salon Co., Ltd.	Chuo-ku, Tokyo	(million JPY) 100	100.0	Operation of beauty salons
IPSA Co., Ltd.	Minato-ku, Tokyo	(million JPY) 100	100.0	Sale of cosmetics, etc.
Shiseido Parlour Co., Ltd.	Chuo-ku, Tokyo	(million JPY) 100	99.3	Operation of restaurants, etc.
THE GINZA Co., Ltd.	Chuo-ku, Tokyo	(million JPY) 100	98.1	Sale of cosmetics, etc.
Shiseido Cosmetics Manufacturing Co., Ltd.	Shanghai, China	(thousand CNY) 418,271	26.2 (92.6)	Production of cosmetics, etc.
Selan Anonymous Association	Chiyoda-ku, Tokyo	(million JPY) 27,150	— [100.0]	Management of real estate, etc.

Note: Figures in parentheses () in the Ownership Percentage of Voting Rights column include the share of indirect ownership. Those in brackets [] indicate the share of related or approved parties.

(4) Matters Concerning Employees of the Group

Business Segment	Number of Employees		Comparison with the Corresponding Period of the Previous Fiscal Year	
Japan Business	8,816	[2,989]	-424	[+170]
China & Travel Retail Business	5,982	[110]	-514	[+10]
Asia Pacific Business	2,377	[229]	-106	[-14]
Americas Business	1,565	[398]	-315	[-311]
EMEA Business	2,722	[271]	+49	[+63]
Corporate staff	4,868	[1,668]	-268	[-175]
Total	26,330	[5,665]	-1,578	[-257]

Notes:

1. The number of employees shown is the number of full-time employees. The annual average number of temporary employees is shown in [] separately. Temporary employees refer to contract employees and part-time workers and excludes dispatched employees.
2. As a revision of the reportable segment classification method was carried out, and partial changes to the aggregation method were made, the numbers of employees after these changes are shown above for the fiscal year ended December 31, 2025, and corresponding period of the previous fiscal year.
3. The reduction of temporary employees in the Americas Business is due to decreased operating rates at the factory.
4. The ratio of female employees in the Shiseido Group worldwide is 81.9%, while in Japan the ratio is 79.6%.

(5) Main Suppliers of Loans to the Group

Lender	Outstanding Balance
Mizuho Bank, Ltd.	88,000 million JPY

2. Matters Concerning Shares Issued by the Company (As of December 31, 2025)

(1) Total Number of Shares Authorized to Be Issued:

1,200,000,000 shares

(2) Number of Shares Issued and Outstanding:

400,000,000 shares (including 463,674 shares of treasury stock)

(3) Number of Shareholders:

148,791

(4) Principal Shareholders:

Shareholders	Investment in the Company	
	Number of Shares Held	Percentage of Shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	(thousand shares) 68,321	17.10 <17.08> %
GOVERNMENT OF NORWAY	21,741	5.44 <5.43>
Custody Bank of Japan, Ltd. (Trust Account)	20,514	5.13 <5.12>
STATE STREET BANK AND TRUST COMPANY 505001	9,643	2.41 <2.41>
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	9,248	2.31 <2.31>
STATE STREET BANK AND TRUST COMPANY 505301	8,915	2.23 <2.22>
Mizuho Trust & Banking Co., Ltd. re-trusted to Custody Bank of Japan, Ltd. Employees Pension Trust for Mizuho Bank	7,000	1.75 <1.75>
THE BANK OF NEW YORK 134104	6,381	1.59 <1.59>
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	5,988	1.49 <1.49>
JP MORGAN CHASE BANK 385781	5,923	1.48 <1.48>

Notes:

- Calculations of percentage of shareholding, including below Notes are based on the total number of issued and outstanding shares excluding treasury stock. Calculations of percentage of shareholding indicated in < > are based on the total number of issued and outstanding shares including treasury stock.
- All shares held by The Master Trust Bank of Japan, Ltd. (Trust Account) and Custody Bank of Japan, Ltd. (Trust Account) are in connection with the respective bank's trust business.
- A report of amendment to large shareholdings from BlackRock Japan Co., Ltd. has been filed with the Director-General of the Kanto Finance Bureau. The report said that on July 3, 2024, it held 28,097 thousand shares through joint holdings (percentage of shareholding: 7.03%), of which 8,798 thousand shares (2.20%) were held by BlackRock Japan Co., Ltd. and 7,553 thousand shares (1.89%) were held by BlackRock Fund Advisors.
However, BlackRock Japan Co., Ltd. and BlackRock Fund Advisors have been excluded from the above list of principal shareholders, as the actual number of shares held by the above two companies had not been confirmed by the Company as of the end of the fiscal year.
- A report of amendment to large shareholdings from Independent Franchise Partners, LLP has been filed with the Director-General of the Kanto Finance Bureau. The report said that on June 27, 2025, it held 33,186 thousand shares (percentage of shareholding: 8.30%).
However, Independent Franchise Partners, LLP has been excluded from the above list of principal shareholders, as the actual number of shares held by said company had not been confirmed by the Company as of the end of the fiscal year.
- A report of amendment to large shareholdings from Norges Bank has been filed with the Director-General of the Kanto Finance Bureau. The report said that on September 11, 2025, it held 21,408 thousand shares (percentage of shareholding: 5.35%).
However, Norges Bank has been excluded from the above list of principal shareholders, as the actual number of shares held by said company had not been confirmed by the Company as of the end of the fiscal year.
- A report of amendment to large shareholdings from Sumitomo Mitsui Trust Bank, Ltd. has been filed with the Director-General of the Kanto Finance Bureau. The report said that on October 21, 2025, it held 22,392 thousand

shares through joint holdings (percentage of shareholding: 5.60%), of which 11,397 thousand shares (2.85%) and 10,994 thousand shares (2.75%) are held by Sumitomo Mitsui Trust Asset Management Co., Ltd. and Amova Asset Management Co., Ltd., respectively.

However, Sumitomo Mitsui Trust Asset Management Co., Ltd. and Amova Asset Management Co., Ltd. have been excluded from the above list of principal shareholders, as the actual number of shares held by the above two companies had not been confirmed by the Company as of the end of the fiscal year.

7. A report of amendment to large shareholdings from Nomura Securities Co., Ltd. has been filed with the Director-General of the Kanto Finance Bureau. The report said that on November 7, 2025, it held 23,593 thousand shares through joint holdings (percentage of shareholding: 5.90%), of which 22,340 thousand shares (5.59%) are held by Nomura Asset Management Co., Ltd.

However, Nomura Securities Co., Ltd. and Nomura Asset Management Co., Ltd. have been excluded from the above list of principal shareholders, as the actual number of shares held by said company had not been confirmed by the Company as of the end of the fiscal year.

(5) Shares Issued to Directors and Corporate Executive Officers of the Company in Consideration of Execution of Duties in the Fiscal Year Ended December 31, 2025:

Shares issued to directors and corporate executive officers of the Company in consideration of duties executed in the fiscal year ended December 31, 2025 are as follows.

	Number of Shares	Number of Eligible Persons
Corporate executive officers	2,378	1
Retired directors (excluding External Directors)	12,674	2
Retired corporate executive officers	1,699	1

Notes:

1. The one (1) corporate executive officer who retired from the position of director at the close of the 124th Annual General Meeting of Shareholders on March 26, 2024, is included under “corporate executive officers” but not under “Retired directors (excluding External Directors).”
2. The one (1) person who retired from the position of director at the close of the 124th Annual General Meeting of Shareholders on March 26, 2024, and who also retired from the position of corporate executive officer on June 30, is included under “Retired corporate executive officers” but not under “Retired directors (excluding External Directors).”

In addition, during the fiscal year ended December 31, 2025, no stock option rights issued as long-term incentive-type remuneration to directors in the past fiscal years were exercised, and no shares were delivered to directors based on the exercise of such rights.

3. Matters Concerning Shares Held by the Company (As of December 31, 2025)

(1) The Company's Policy with Regard to Reduction of Strategic Shareholdings:

The Company conducts strategic shareholdings in accordance with the policy below and keeps such shareholdings at the minimum level necessary.

- The Company holds the minimum amount of shareholdings necessary, only when it determines that such shareholdings would contribute to its sustainable growth and medium-to long-term improvement of corporate value.
- The Company periodically checks its individual shareholdings to see whether or not such shares are being held for the intended purpose and whether or not benefits associated with their ownership are commensurate with the associated cost of capital. The Board of Directors then verifies the appropriateness of maintaining ownership of such holdings and discloses circumstances attributable to any reduction of holdings.
- If the Company receives a request for sale from a company that holds the Company's shares as strategic shareholdings, the Company should neither prevent the sale nor imply that it would reduce transactions with the holding company.

(2) The Company's Criteria for Exercising Voting Rights with Regard to Strategic Shareholdings:

When exercising its voting rights with regard to shares of strategic shareholdings, the Company confirms whether the proposed item of business would lead to impairment of shareholder value. It then considers the situation of an investee company and other factors to determine its approval or disapproval before exercising its voting rights.

If the Company wishes to confirm the intent of an item of business, etc., it will discuss the matter with the investee company in accordance with the purport of Japan's Stewardship Code and Japan's Corporate Governance Code.

(3) Number of Shareholdings the Company Holds for Purposes Other Than Realizing Direct Investment Gains and Total Amount on the Balance Sheet:

	Number of Issues	Amount on Balance Sheet (Millions of yen)
Unlisted shares	21	1,520
Listed shares	2	1,878

(4) Information on the Number of Shares, Balance Sheet Amount, etc. of Specified Investment Shares by Issue:

Company	FY2025	FY2024	Purpose of holding, outline of business alliance, etc., quantitative holding effects, and reasons for increase in the number of shares	Holding of the Company's shares
	Number of Shares (thousand shares)	Number of Shares (thousand shares)		
	Amount on Balance Sheet (million yen)	Amount on Balance Sheet (million yen)		
AEON CO., LTD.	609	203	The Company makes transactions of product sales with subsidiaries of this company. In order to maintain and strengthen the favorable business relationship with this company, the Company holds its shares in accordance with "The Company's Policy with Regard to Reduction of Strategic Shareholdings." While quantitative holding effects are not stated from the viewpoint of business information management and other related factors, the Company determines as at the end of the fiscal year that there is reasonability of holdings based on the policy and verification as described above. The number of shares increased due to a 3-for-1 stock split of common stock implemented during the fiscal year ended December 31, 2025.	Yes
	1,510	751		
Perfect Corp.	1,300	1,300	The Company pursues collaboration in the digital area with this company primarily for the development of virtual makeup and beauty platforms. In order to further strengthen the relationship with this company, the Company holds its shares in accordance with "The Company's Policy with Regard to Reduction of Strategic Shareholdings." While quantitative holding effects are not stated from the viewpoint of business information management and other related factors, the Company determines as at the end of the fiscal year that there is reasonability of holdings based on the policy and verification as described above.	No
	368	577		
TNL Mediagene	—	62	The Company has business transactions related to beauty information content with a subsidiary of the said company. Although these shares were held in accordance with "The Company's Policy with Regard to Reduction of Strategic Shareholdings," all shares were sold during the fiscal year ended December 31, 2025.	No
	—	77		

Notes:

1. The Company does not hold shares for the purpose of realizing direct investment gains.
2. Of the companies listed above, the top one stock has amounts reported on the balance sheet that exceed one percent of the amount of capital of the Company.

4. Matters Concerning Stock Acquisition Rights (As of December 31, 2025)

The Company issued stock acquisition rights for directors, corporate officers, etc. These are stock options for directors, corporate executive officers and executive officers, etc., which are offered as long-term incentives.

Total number of shares that are the object of all stock acquisition rights issued as of December 31, 2025 and the percentage thereof to the total number of shares issued and outstanding as of the same date, excluding treasury stock are as follows:

Total Number of Shares that are the Object of Stock Acquisition Rights	Percentage of Total Number of Shares Issued and Outstanding (Excluding Treasury Stock)
Shares	%
162,000	0.04

These stock acquisition rights were granted as stock options in order to link remuneration of the directors, corporate officers, etc. of the Company with an increase in its shareholder value on a long-term basis, while placing emphasis on their sharing interests with shareholders. All stock options are stock compensation-type stock options whose amount payable is set at ¥1 when exercising stock acquisition rights as one type of performance-linked remuneration for the remuneration system for directors and corporate officers since fiscal 2008.

The Company revised the directors and corporate officers remuneration policy in fiscal 2015, and implemented a design to increase or decrease the number of the stock compensation-type stock options as long-term incentive-type remuneration to be allotted by using the performance indicators for annual incentive after approval of the maximum number to be allotted at the general meeting of shareholders and the business performance for the business year relevant to the remuneration is fixed.

In fiscal 2019, the Company introduced performance share units, which are a type of performance-linked stock remuneration as a new long-term incentive (LTI).

The status of stock acquisition rights issued in the past fiscal years is posted as “matters not included in the documents delivered to shareholders who make a request for the delivery of hard copies in accordance with the relevant laws and regulations and the Articles of Incorporation of the Company in regard to the Notice of Convocation for the 126th Annual General Meeting of Shareholders” on our corporate information website: INVESTORS / General Meeting of Shareholders (<https://corp.shiseido.com/en/ir/shareholder/>).

No stock acquisition rights were allotted to external directors or Audit & Supervisory Board members prior to the transition to a Company with Three Statutory Committees.

■ **Stock Acquisition Rights Issued as a Consideration for the Execution of Duties as of December 31, 2025**

Issue Date of Stock Acquisition Rights	Grantees of Stock Acquisition Rights	Amount Paid for Stock Acquisition Rights	Amount Contributed upon Exercise of Stock Acquisition Rights	Exercise Period of Stock Acquisition Rights	As of December 31, 2025	
					Holding Condition and Number of the Stock Acquisition Rights	Class and Number of Shares to Be Issued Upon Exercise of Stock Acquisition Rights
August 30, 2012	Directors and corporate officers of the Company 19 persons	1,001 yen	1 yen per share	From August 1, 2015 to July 31, 2027	Others 3 persons 110 rights	Common stock of the Company 11,000 shares
August 29, 2013	Directors and corporate officers of the Company 16 persons	1,434 yen	1 yen per share	From August 1, 2016 to July 31, 2028	Others 5 persons 177 rights	Common stock of the Company 17,700 shares
August 28, 2014	Directors, corporate officers, etc. of the Company 18 persons	1,898.5 yen	1 yen per share	From August 1, 2017 to July 31, 2029	Others 6 persons 270 rights	Common stock of the Company 27,000 shares
March 30, 2016	Directors, corporate officers, etc. of the Company 18 persons	2,515.5 yen	1 yen per share	From September 1, 2018 to February 28, 2031	Others 5 persons 151 rights	Common stock of the Company 15,100 shares
March 30, 2017	Directors, corporate officers, etc. of the Company 24 persons	2,990 yen	1 yen per share	From September 1, 2019 to February 29, 2032	Directors of the Company (excluding external directors) 1 person 33 rights	Common stock of the Company 3,300 shares
					Corporate Executive Officers of the Company 1 person 20 rights	Common stock of the Company 2,000 shares
					Others 11 persons 400 rights	Common stock of the Company 40,000 shares
March 28, 2018	Directors, corporate officers, etc. of the Company 21 persons	6,615 yen	1 yen per share	From September 1, 2020 to February 28, 2033	Directors of the Company (excluding external directors) 1 person 17 rights	Common stock of the Company 1,700 shares
					Corporate Executive Officers of the Company 2 persons 46 rights	Common stock of the Company 4,600 shares
					Others 9 persons 263 rights	Common stock of the Company 26,300 shares

Issue Date of Stock Acquisition Rights	Grantees of Stock Acquisition Rights	Amount Paid for Stock Acquisition Rights	Amount Contributed upon Exercise of Stock Acquisition Rights	Exercise Period of Stock Acquisition Rights	As of December 31, 2025	
					Holding Condition and Number of the Stock Acquisition Rights	Class and Number of Shares to Be Issued Upon Exercise of Stock Acquisition Rights
March 27, 2019	Directors, corporate officers, etc. of the Company 18 persons	7,864 yen	1 yen per share	From September 1, 2021 to February 28, 2034	Directors of the Company (excluding external directors) 1 person 6 rights	Common stock of the Company 600 shares
					Corporate Executive Officers of the Company 2 persons 16 rights	Common stock of the Company 1,600 shares
					Others 9 persons 111 rights	Common stock of the Company 11,100 shares

Note: The number of allotted stock acquisition rights and allotted persons in the past fiscal years and class and number of shares to be issued upon exercise of the stock acquisition rights are shown under “Holding Condition and Number of the Stock Acquisition Rights” and “Class and Number of Shares to Be Issued Upon Exercise of Stock Acquisition Rights” as of December 31, 2025. There were no stock acquisition rights issued during fiscal 2025.

5. Status of Corporate Governance and Matters Concerning Directors and Corporate Executive Officers of the Company (As of December 31, 2025)

(1) Corporate Governance Policy

The Shiseido Group including the Company has established “BEAUTY INNOVATIONS FOR A BETTER WORLD” as OUR MISSION in its Corporate Philosophy, THE SHISEIDO PHILOSOPHY, and defines the corporate governance as our “platform to realize sustainable growth through fulfilling OUR MISSION.”

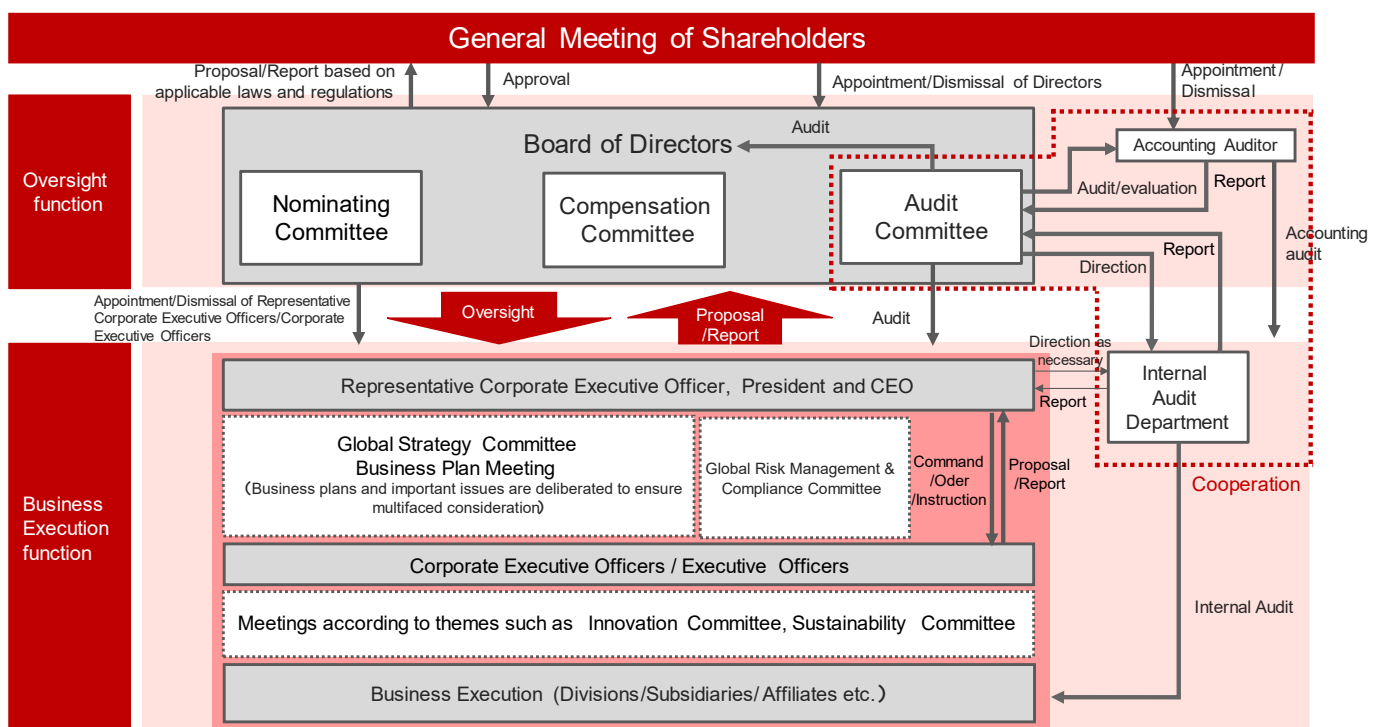
The Company is committed to maintaining and improving management transparency, fairness, and speed, by putting into practice and reinforcing the corporate governance, and strives to maximize medium-to long-term corporate and shareholder value through dialogues with all stakeholders, “employees,” “consumers,” “business partners,” “shareholders,” and “society and the Earth.” In addition, while fulfilling social responsibilities, the Company aims to achieve optimized distribution of values to respective stakeholders.

(2) Outline of the Company’s System for the Management and Execution of Business

1) Corporate Governance Framework of the Company

The Company has transited to a Company with Three Statutory Committees based on resolution of the Annual General Meeting of Shareholders held on March 26, 2024. The Board of Directors has focused on determining the basic management policy and management strategy while overseeing their execution, while also delegating significant authority to the Corporate Executive Officers, thereby accelerating decision-making in business execution and the implementation of business strategies.

Corporate governance framework of the Company as of December 31, 2025 is as follows.



2) Activities of the Board of Directors and Status of Each Committee

Board of Directors:

The Company's Board of Directors meetings are held approximately once a month. It focuses on deciding basic management policy and management strategy and overseeing their implementation to exercise strong oversight function and accelerate the overall business execution of the Company in a rapidly changing environment. In addition, the Board of Directors discusses and decides matters stipulated in laws and regulations, and the Company's Articles of Incorporation as well as matters provided for in the Regulations of the Board of Directors and delegate the authority to decide on other matters to Representative Corporate Executive Officers or Corporate Executive Officers.

The Company's Board of Directors is composed of eleven (11) Directors including seven (7) Independent External Directors.

Furthermore, to further enhance the transparency and objectivity of the Board of Directors, Mr. Yoshihiko Hatanaka, an Independent External Director, has been serving as Chairperson of the Board since January 1, 2025.

Nominating Committee:

The Nominating Committee resolves matters such as proposals regarding appointment and dismissal of directors to be submitted to General Meetings of Shareholders and matters regarding the succession of directors. In addition, the Nominating Committee discusses appointment and dismissal of the Representative Corporate Executive Officers and Corporate Executive Officers, areas for which Corporate Executive Officers take responsibility, appointment and dismissal of the CEO, as well as matters regarding the succession of the CEO etc. and reports to the Board of Directors.

The Committee is composed of four (4) Independent External Directors and its Chairperson is selected from the committee members by the resolution of the Nominating Committee.

Compensation Committee:

The Compensation Committee resolves policies on decisions regarding remuneration of individual Directors and Corporate Executive Officers, designs of the remuneration policy for Directors and Corporate Executive Officers, and details of remuneration to individual Directors and Corporate Executive Officers, etc.

The Committee is composed of four (4) Independent External Directors and its Chairperson is selected from the committee members by the resolution of the Compensation Committee.

Audit Committee:

The Audit Committee conducts audits and prepares audit reports on performance of duties of Directors and Corporate Executive Officers, etc., and makes decisions on proposals for appointment, dismissal, or non-reappointment of the accounting auditor submitted to General Meetings of Shareholders.

The Committee is composed of five (5) members, comprising three (3) Independent External Directors and two (2) full-time Audit Committee members who are Directors not concurrently serving as Corporate Executive Officers, and its Chairperson is an Independent External Director selected from the Committee members by the resolution of the Audit Committee.

Regarding the corporate governance of the Company, please refer to our corporate information website: INVESTORS / Corporate Governance (<https://corp.shiseido.com/en/ir/governance/>).

(3) Internal Control System

The Company adopted a resolution to implement the “Basic Policy Regarding Internal Control Systems” at the Board of Directors meeting on May 12, 2006, in order to establish highly effective internal control system operated in accordance with the basic policy and conduct reviews for improvement of the system as necessary.

1) System under Which Performance of Duties by Corporate Executive Officers Is Ensured to Comply with Laws and Regulations and the Articles of Incorporation of the Company; System under Which Business of the Group Is Ensured to Be Duly Conducted

“Basic Policy on Internal Control System” of the Company and the Group is as follows:

(1) System under Which Performance of Duties by Directors, Corporate Executive Officers, and Employees of the Company and All Group Companies Is Ensured in Compliance with the Laws and Regulations, and the Articles of Incorporation of the Company; System under Which the Appropriateness of the Whole Group's Business Is Ensured

The Board of Directors shall define the corporate philosophy and strategy of the Company and the whole Group and oversee their appropriate execution.

The Representative Corporate Executive Officers shall present proposals and provide updates on the business execution and strategic key areas to the Board of Directors on a regular basis. The Audit Committee shall audit the performance of duties by the Corporate Executive Officers and Directors, create audit reports, and present and explain the audit results at General Meetings of Shareholders.

The Company has defined THE SHISEIDO PHILOSOPHY, shared across the Group and built upon three elements: OUR MISSION, which is the reason we exist since our founding, OUR DNA, which embodies our unique heritage of over 150 years, and OUR PRINCIPLES (TRUST 8), which is a mindset to be shared by each and every Shiseido Group employee in their work. THE SHISEIDO PHILOSOPHY, together with the “Shiseido Code of Conduct and Ethics,” which set out action standards for business conduct with the highest ethical principles, promote corporate activities that are both legitimate and fair. (*)

The Company shall establish a basic policy and rules based on the “Shiseido Code of Conduct and Ethics” with which the whole Shiseido Group is required to comply. Every Group company and business site shall be fully aware of these policies and rules, along with THE SHISEIDO PHILOSOPHY. This will help create an environment where detailed internal regulations of the Company can be developed at every Group company and business site.

The Company has set up a Committee to oversee compliance and risk management and coordinate with organizations established to perform the compliance and risk management functions in the respective regional headquarters located in the major regions across the globe. This Committee shall be responsible for improving corporate quality by increasing the Group's legitimate and fair corporate activities and managing risk. Major management risks and incidents shall be reported to the Board of Directors through the Representative Corporate Executive Officers, along with the proposal for response to them and its progress.

The Company deploys a person in charge of promoting legitimate and fair corporate activities of the whole Group and risk management at every Group company and business site, plans and promotes regular training and educational activities on corporate ethics, and responds to incidents and manages risks. The department in charge of risk management and the Committee that oversees compliance and risk management will share information regularly with the persons in charge deployed within every Group company and business site.

To detect and remedy any type of conduct within the Group that violates laws, the Articles of Incorporation, and internal regulations, the Company shall set up a hotline for whistle-blowers in every Group company. Additionally, employees will have access to a hotline where employees can directly report and consult with the officer in charge of risk management. In the Japan region, the Company shall establish hotlines staffed by both internal and external personnel and counselors.

The department in charge of internal audit, which operates independently, shall conduct group-wide internal audit to ensure the appropriateness of business based on the instructions of the Audit Committee and the Representative Corporate Executive Officers, following the regulations related to internal audit. If there is any inconsistency between the instructions of the Audit Committee and those of the Representative Corporate Executive Officers, the instructions of the Audit Committee shall take precedence. The results of internal audit shall be regularly reported to the Audit Committee as well as the Representative Corporate Executive Officers.

*** Basic Policy on Exclusion of Anti-Social Forces and Its Implementation Status**

The Shiseido Code of Conduct and Ethics states the following: “We do not work with individuals or organizations that engage in illegal activities such as threatening public order or safety. We also do not respond to any requests for money or support from such individuals or organizations.” A coordination office is established in the department in charge of risk management to effectively gather information. The Company also maintains manuals on the intranet on how to cope with such forces. The Company is taking measures to strengthen its collection of outside information and cooperation with external organizations by coordinating with local police offices and being a member of an organization that promotes the exclusion of anti-social forces.

(2) System under Which Directors and Corporate Executive Officers of the Company and All Group Companies Shall Be Ensured to Efficiently Perform Duties

The Board of Directors shall focus on determining the basic management policy and management strategy and overseeing the implementation thereof. It shall significantly delegate the authority to determine particulars of business execution to the Corporate Executive Officers to increase the flexibility in performing their duties. Additionally, to achieve swift and efficient corporate management, the Representative Corporate Executive Officers shall manage and oversee the performance of duties of the entire Group to achieve targets.

The Corporate Executive Officers and Executive Officers shall set specific targets in the assigned fields, including all Group Companies, and establish a business system that ensures efficient achievement of the targets.

The Group’s business plans and important matters shall be deliberated from a multifaceted perspective at the relevant decision-making meetings composed of the Representative Corporate Executive Officers, Corporate Executive Officers, and Executive Officers.

The relevant meeting for decision-making on the execution of business shall confirm the status of progress against the target and implement the necessary measures for improvement.

(3) System under Which Information Regarding Performance of Duties by the Company’s Corporate Executive Officers Shall Be Maintained and Managed; System under Which Items Regarding Performance of Duties by Directors and Employees of All Group Companies Shall Be Reported to the Company

Important documents such as minutes of General Meetings of Shareholders, the Board of Directors meetings, meetings of respective committees, and of relevant meetings for decision-making on business execution shall be appropriately created, filed, and managed in compliance with laws and regulations. These important documents shall be filed and managed in a highly searchable manner and should be readily available for inspection by the Directors, Corporate Executive Officers, Audit Committee and the department in charge of internal audit.

Regulations on information asset protection and information disclosure shall be established to appropriately prepare, file, and manage a variety of documents, books, and records related to the performance of duties of Directors, Corporate Executive Officers, and employees, and other information.

Important information regarding the performance of duties by Directors and employees of all Group companies shall be reported in a timely manner to the Company by all Group companies in accordance with the internal regulations of the Company that stipulate reporting to the Company or through the reporting line to Corporate Executive Officers and Executive Officers.

(4) Regulations Regarding Control of Risk for Loss at the Company and All Group Companies and Other Regulation Systems

Organizations are set up in the respective regional headquarters located in the major regions across the globe for the purpose of performing the compliance and risk management functions. These organizations will be responsible for overseeing risks related to corporate activities through Group-wide cross-sectional communication.

The Committee that oversees compliance and risk management recognizes and evaluates risks associated with management strategy and business execution, and takes necessary measures, or assists the regional headquarters located in the major regions across the globe to prepare their own contingency responses to deal with emergency situations.

In the case of emergency, the regional headquarters of the affected area, the Company, or both, pursuant to the situation, the seriousness of the impact on the Group and other factors shall establish Emergency Task Forces to take necessary actions.

(5) Matters Related to Employees to Assist Duties of Audit Committee, the Independence of Such Employees from Corporate Executive Officers, and Ensuring the Effectiveness of Instructions from Audit Committees to Such Employees

The Audit Committee shall establish a secretariat in the department in charge of internal audit to support the duties of the Audit Committee, and employees shall be assigned to the secretariat.

To ensure the independence of the said employees and the effectiveness of instructions from the Audit Committee, prior approval of the Audit Committee shall be required for staffing (appointment and dismissal, and evaluation) of the department head in charge of internal audit, who has the authority and responsibility to manage the secretariat, and determination of the particulars of the audit resources (including budget) of said department. In addition, matters to determine members who work for the secretariat of the Audit Committee, including their appointment, transfer, and evaluation, shall require approval of the Audit Committee.

(6) System under Which Directors, Audit and Supervisory Board Members, Corporate Executive Officers, and Employees of the Company and All Group Companies Report to Audit Committee and Other Systems under Which Any Report Is Made to Audit Committee; System to Ensure That Persons Are Not Treated Disadvantageously for Making Such Reports to Audit Committee

Directors, Corporate Executive Officers, and employees shall regularly or promptly report to the Audit Committee on the progress of performance of their duties. In addition, they shall promptly report to the Audit Committee on the progress of the performance of their duties and asset situation on request from the Audit Committee.

The Company shall establish means by which Directors, Audit and Supervisory Board Members, Corporate Executive Officers, and employees, including those of all Group companies, can directly inform the Audit Committee of issues and build awareness of these means across the Group.

The Company and all Group companies shall develop internal regulations of the Company to ensure that the said Directors, Audit and Supervisory Board Members, Corporate Executive Officers, and employees are not dismissed, discharged from service, or otherwise disadvantaged because of their reporting to the Audit Committee or informing the committee of issues and shall announce these regulations.

(7) Matters Regarding Policy on Handling Advance Payment or Repayment of Expenses Resulting from Audit Committee Members' Performance of Duties or Other Expenses or Debts Arising from the Said Performance of Duties

Expenses deemed necessary for the performance of duties by the Audit Committee and its members shall be budgeted for and recorded in advance.

However, expenses paid urgently or temporarily shall be compensated by subsequent refund.

(8) Other Systems to Ensure the Effective Performance of Audit by Audit Committee

The Audit Committee shall provide instructions to the department in charge of internal audit. In addition, regular meetings shall be held to exchange opinions between the Representative Corporate Executive Officers and Audit Committee members. The Company shall establish a system to ensure that audits are effectively conducted by the Audit Committee through measures such as holding liaison meetings between the Audit Committee, the department in charge of internal audit, and Independent Auditor and ensuring that Audit Committee members or members of the department in charge of internal audit attend the relevant meetings, on request from the Audit Committee.

2) Overview of Operation Status of System to Ensure That Performance of Duties by Corporate Executive Officers Is in Compliance with Laws and Regulations and the Articles of Incorporation of the Company; System to Ensure That Business of the Group Is Duly Conducted

The Company continues to make progress on implementation and operation of its internal control system in accordance with the aforementioned basic policy and has operated the system during fiscal 2025 as described below. Overall status of implementation and operation of the internal control system at the Company and its subsidiaries are included in the scope of the audit by the Audit Committee and monitored by the internal audit division.

(1) System under Which Performance of Duties by Directors, Corporate Executive Officers, and Employees of the Company and All Group Companies Is Ensured in Compliance with the Laws and Regulations, and the Articles of Incorporation of the Company; System under Which the Appropriateness of the Whole Group's Business Is Ensured.

- The Company conducted training on the “Shiseido Code of Conduct and Ethics” for all global employees, with a standardized global content, to strengthen its ethical foundation into one that is apt for a truly global beauty wellness company. The Company conducted the training on the “Shiseido Code of Conduct and Ethics” for new and mid-career employees.
- The Company conducted training and awareness activities, and related initiatives, regarding the “Compliance Rules Regarding Prevention of Bribery” and the “Compliance Rules Regarding Prevention of Cartels,” which are detailed rules of the “Shiseido Code of Conduct and Ethics” in Japan, China, Asia Pacific, the Americas, Europe and other regions, tailored to the characteristics and working environments of each region.
- The Global Risk Management & Compliance Committee was held in November and discussed material risks for the Shiseido Group and the response as well as compliance related topics. Matters such as response to major incidents were reported to the Board of Directors (matters for the first half: August; matters for the second half: scheduled for February 2026). In Japan, the HQ/SJ Compliance Committee was held in June and November to discuss issues and actions mainly on disciplinary cases and the Shiseido Hotline cases in the Japan region.
- Whistleblowing reports were accepted through the Global Hotline directly managed by the headquarters (HQ) and hotline systems managed by each region. The hotline in the Japan region also handles the function of a whistleblower contact point, and can receive anonymous reporting and consultation, and will strictly prohibit unfavorable treatment and retaliation. In addition, a system to receive reports from business partners in each region has also been prepared.
- Based on the Regulations for Internal Audits, the Company verified the status of the establishment and operation of internal controls in the overall Shiseido Group, from the perspectives of the effectiveness and efficiency of business operations, reliability of reports and compliance with the applicable laws, regulations, and internal rules, as well as safeguarding assets. At the same time, the Company assessed the appropriateness and effectiveness of risk management and provided advice and suggestions for its improvement. The results of internal audits are reported on a monthly basis to the Representative Corporate Executive Officer, President and CEO, Representative Corporate Executive Officer, CFO and full-time Audit Committee members, and every two months to the Audit Committee, and biannually to the Board of Directors.

<Action Plans for Exclusion of Anti-Social Forces>

By integrating the pre-screening of suppliers for anti-social forces into the accounting system, the Company ensures that no transactions with anti-social forces occur. The preliminary screening system for new customers in the cosmetics business is also continuously implemented. The Company is a member of two organizations promoting the exclusion of anti-social forces including the Special Violence Prevention Measures Association for the Jurisdiction of the Metropolitan Police Department (Tokubouren). Moreover, employees in charge of related efforts conduct information gathering through seminars and other means and strive to maintain close cooperation with local police departments.

(2) System under Which Directors and Corporate Executive Officers of the Company and All Group Companies Shall Be Ensured to Efficiently Perform Duties

- The Company has transitioned to a company with three statutory committees by resolution of the Annual General Meeting of Shareholders held on March 26, 2024. As a result, the Board of Directors has focused on determining the basic management policy and management strategy and overseeing the implementation thereof, while delegating significant authority to Corporate Executive Officers to expedite decision-making regarding business execution and implementation of business strategies. In addition, effective January 1, 2025, Yoshihiko Hatanaka, an External Director, has assumed the role of Chairman of the Board of Directors to further strengthen the separation of execution and oversight, thereby enhancing the transparency and objectivity of the Board of Directors.
- Corporate Executive Officers and Executive Officers are responsible for the execution of the Company's business through an accelerated decision-making process under the direct supervision of Representative Corporate Executive Officers, with decision-making for important matters and plans taking place after deliberation by the Global Strategy Committee or other important meetings related to business execution. Each Executive Officer is in charge of the performance of duties in the areas for which they are responsible, and they submitted reports on their own areas of responsibility to the Global Strategy Committee, the Board of Directors, or other important meetings related to business execution, as necessary.
- We will strengthen the executive structure of the entire Group to achieve the 2030 Medium-term Strategy. From January 1, 2026, we will move to a new structure comprised of Chief Officers who drive the Group's overall operation in addition to their own area of responsibility and Division Officers who lead specific business and functional areas, to establish a structure that will strongly lead our global strategy.

(3) System under Which Information Regarding Performance of Duties by the Company's Corporate Executive Officers Shall Be Maintained and Managed; System under Which Items Regarding Performance of Duties by Directors and Employees of All Group Companies Shall Be Reported to the Company

- The minutes of General Meetings of Shareholders, the Board of Directors meetings and meetings of respective committees are prepared by the Corporate Governance Department (the meeting minutes of the Audit Committee are prepared by the Internal Audit Department) and retained permanently, which is a longer duration than the statutory retention period of 10 years. Minutes of important meetings related to the execution of the Global Strategy Committee, etc. are prepared by the Corporate Transformation Acceleration Department and retained for 10 years or permanently depending on the meeting body. With regard to the management of information related to business execution and the protection of information assets, the Company has developed and implemented the "Document Management Regulation" along with guidelines and manuals for its operation. Additionally, under the "Shiseido Group Information Security Management Policy," the Company has developed and implemented the "Information System Usage Regulation," "Shiseido Group Information Asset Handling Regulation," "Confidential Information Controlling Regulation," "Shiseido Group Privacy Rules," "Personal Information Protection Regulation." Furthermore, with regard to information disclosure, the Company has developed and implemented the Internal Regulation on Internal Information Management and Regulations on Transactions of Internal Personnel (for Directors, Corporate Executive Officers, and Employees).
- In addition, the Company has developed and implemented the "System for the process for disclosing facts of decisions made, actual events (excluding incidents, accidents, natural disasters, etc.) and financial results." With regard to important reports made by Group companies, the Company has arranged for executive officers in charge of a respective Group company to report to the CEO, the Global Strategy Committee, the Board of Directors, or other relevant bodies in compliance with the "Regulation of the Board of Directors," as well as the "Regulation of the Executive Officers" or other internal rules and regulations.

(4) Regulations Regarding Control of Risk for Loss at the Company and All Group Companies and Other Regulation Systems

- The newsletters were continuously distributed (with two issues published annually) to provide helpful information to RMO and risk managers across the world. In June, with the aim of strengthening the incident management system across the entire Shiseido Group, the Company issued the “Global Incident Management Guidelines.” In the Japan region, briefing sessions were held in February and December for approximately 40 newly appointed risk managers, selected from those assigned across 113 departments to strengthen support for incident response and resolution.
- In addition, the Company conducted drills in August for an HQ Emergency Task Force in anticipation of the Nankai Trough earthquake, and in November the Osaka Emergency Task Force (established as an alternative to the HQ Emergency Task Force) conducted team-specific training, with about 50 participants combined.

(5) Matters Related to Employees to Assist Duties of Audit Committee, the Independence of Such Employees from Corporate Executive Officers, and Ensuring the Effectiveness of Instructions from Audit Committee to Such Employees

- An Audit Committee Secretariat, which supports the Audit Committee in its duties or performs some of those duties on behalf of the Audit Committee, has been established within the Internal Audit Department, which is directly managed by the Audit Committee. Three employees have been concurrently assigned to this Secretariat to perform the secretarial work of the Audit Committee, such as gathering information and preparing materials required for the conduct of audits by the Audit Committee. In addition, in order to ensure the independence of the employees from the execution, and the effectiveness of directions of the Audit Committee, matters relating to appointment, relocation, evaluation and other personnel related matters regarding the employees are made by the director of Internal Audit Department, following consent of the Audit Committee.
- The Audit Committee is consulted and its approval obtained on matters pertaining to the Internal Audit Department plan for the fiscal year (including budget).

(6) System under Which Directors, Audit and Supervisory Board Members, Corporate Executive Officers and Employees of the Companies and All Group Companies Report to Audit Committee and Other Systems under Which Any Report Is Made to Audit Committee; System to Ensure That Persons Are Not Treated Disadvantageously for Making Such Reports to Audit Committee

- The Company ensures that the full-time Audit Committee members are offered opportunities to attend important meetings for business execution, such as the meetings of the Global Strategy Committee, and the Global Risk Management & Compliance Committee, as observers. Through these meetings, reports and information are provided to the Audit Committee. When requested by the Audit Committee, Corporate Officers in charge of specific areas and heads of departments submit reports or provide materials and information to the Audit Committee.
- A Shiseido Group Audit Committee Whistleblowing System has been established, and in Japan, training is provided to new and mid-career employees at the time of joining the Company, as well as training for employees newly appointed to managerial positions, while training pertaining to harassment is provided to all employees by the HQ. During this training, explanations of the Shiseido Hotline and other consultation contact points and hotlines are given to ensure that employees are fully aware of their existence. We have also formulated Shiseido Group Audit Committee Whistleblowing System Rules that conform to the Whistleblower Protection Act, and disadvantageous treatment of employees and others on the grounds that they have being involved in whistleblowing is forbidden.

(7) Matters Regarding Policy on Handling Advance Payment or Repayment of Expenses Resulting from Audit Committee Members' Performance of Duties or Other Expenses or Debts Arising from the Said Performance of Duties

- The Company budgets expenses necessary for the performance of duties based on the annual activity plan at the beginning of every business year. The Company has established a rule that in cases where the disbursement exceeds the budgeted amount and an extra expense is needed, a request for an additional amount can be made.

(8) Other Systems to Ensure the Effective Performance of Audits by Audit Committee

- The Audit Committee receives reports on the status of audits every other month from the Internal Audit Department that constitutes the department in charge of internal auditing and conveys audit-related instructions and opinions as required. The Audit Committee also receives reports from the Financial Accounting Department, Strategic Finance Department, Quality Management Department, Information Security Department, Risk Management Department, Sustainability Strategy Acceleration Department, and Corporate Governance Department on the status of activities, issues, and other matters in their respective areas. Moreover, full-time Audit Committee members exchange information with the Internal Audit Department on a weekly basis.
- The Representative Corporate Executive Officer and the Audit Committee members hold opinion exchange meetings as needed. In addition, the accounting auditor and Audit Committee members hold opinion exchange meetings as needed, and also hold meetings on reporting accounting auditor's audit results on a quarterly basis. Of these quarterly meetings, the external directors also attended the meetings, at the end of the first half and at the end of the fiscal year for sharing of information. In addition, "three-way audit liaison meetings" are held on a quarterly basis to allow full-time Audit Committee members, the accounting auditor, and the Internal Audit Department to share audit information.
- The full-time Audit Committee members attend important meetings related to business execution, such as the Board of Directors, the Global Strategy Committee, to confirm the details of the deliberations.

3) The Confirmation Procedures for Transactions with Related Parties

The Company investigates to identify related parties that may potentially have an impact on the Company's financial position and operating results, and confirms the existence of any transactions involving the said related parties and determine the materiality thereof. Should there be any transaction that needs to be disclosed, the Company will publicly disclose such information accordingly.

The existence of related parties and transactions with such related parties, as well as the details of transactions or any other information related thereto are reported to the Board of Directors prior to the disclosure thereof, to be reviewed from quantitative perspective with respect to materiality, as well as qualitative materiality including the terms and conditions and rationale of the transaction. The Company applies certain criteria for determining quantitative materiality of such transactions.

(4) Name, Position and Responsibilities at the Company for Directors and Corporate Executive Officers of the Company

1) Name, Position and Responsibilities at the Company for Directors of the Company

(As of December 31, 2025)

Position	Name	Responsibilities at the Company
Director	Kentaro Fujiwara	
Director	Ayako Hirofuji	
Director	Hiromi Anno	Member of the Audit Committee (Full-time)
Director	Takeshi Yoshida	Member of the Audit Committee (Full-time)
External Director <Independent>	Kanoko Oishi	Member of the Nominating Committee Member of the Compensation Committee
External Director <Independent>	Shinsaku Iwahara	Chair of the Nominating Committee Member of the Compensation Committee
External Director <Independent>	Mariko Tokuno	Member of the Nominating Committee Member of the Compensation Committee
External Director <Independent>	Yoshihiko Hatanaka	Chair of the Board Member of the Nominating Committee Chair of the Compensation Committee
External Director <Independent>	Yasuko Gotoh	Chair of the Audit Committee
External Director <Independent>	Ritsuko Nonomiya	Member of the Audit Committee
External Director <Independent>	Yasuhiro Nakajima	Member of the Audit Committee

(As of January 1, 2026)

Position	Name	Responsibilities at the Company
Director	Kentaro Fujiwara	
Director	Ayako Hirofuji	
Director	Hiromi Anno	Member of the Audit Committee (Full-time)
Director	Takeshi Yoshida	Member of the Audit Committee (Full-time)
External Director <Independent>	Kanoko Oishi	Member of the Nominating Committee Member of the Compensation Committee
External Director <Independent>	Shinsaku Iwahara	Chair of the Nominating Committee Member of the Compensation Committee
External Director <Independent>	Mariko Tokuno	Member of the Nominating Committee Member of the Compensation Committee
External Director <Independent>	Yoshihiko Hatanaka	Chair of the Board Member of the Nominating Committee Chair of the Compensation Committee
External Director <Independent>	Yasuko Gotoh	Chair of the Audit Committee
External Director <Independent>	Ritsuko Nonomiya	Member of the Audit Committee
External Director <Independent>	Yasuhiro Nakajima	Member of the Audit Committee

Notes:

- There are eleven (11) Directors in total as of December 31, 2025, of which five (5) are male and six (6) are female.
- Ms. Kanoko Oishi, Mr. Shinsaku Iwahara, Ms. Mariko Tokuno, Mr. Yoshihiko Hatanaka, Ms. Yasuko Gotoh, Ms. Ritsuko Nonomiya, and Mr. Yasuhiro Nakajima are external directors as provided in Article 2, item (xv) of the Companies Act of Japan.
- The Company has designated Ms. Kanoko Oishi, Mr. Shinsaku Iwahara, Ms. Mariko Tokuno, Mr. Yoshihiko Hatanaka, Ms. Yasuko Gotoh, Ms. Ritsuko Nonomiya, and Mr. Yasuhiro Nakajima as independent directors as prescribed in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
All of these external directors (collectively the “External Directors”) meet the Company’s “Criteria for Independence of External Directors” and have sufficient independency. The criteria are posted on our corporate information website: INVESTORS / Corporate Governance / Basic Concept for Corporate Governance (https://corp.shiseido.com/en/ir/governance/basic_concept.html).
- At the 125th Annual General Meeting of Shareholders held on March 26, 2025, Ms. Ayako Hirofuji, a director, and Mr. Yasuhiro Nakajima, an external director, were newly elected and took office on the same day. Other directors were reelected at the said General Meeting of Shareholders and reappointed. The legal name of Ms. Hiromi Anno, a director, is Hiromi Hara.
- In order to promptly and appropriately perform auditing functions and further strengthen the internal control system and corporate governance structure, the Company has selected Ms. Hiromi Anno and Mr. Takeshi Yoshida as full-time members of the Audit Committee, who will obtain accurate information through interviews with corporate executive officers, reports from the department in charge of internal auditing, and other routine auditing activities such as on-site inspections of subsidiaries, as well as by attending important meetings in various fields of the Company.
- Mr. Takeshi Yoshida has had experience as the director of the Internal Audit Department of the Company and has respectable knowledge in finance and accounting. Ms. Yasuko Gotoh has experience as Director, Audit and Supervisory Committee Member after leading the Finance & Accounting Department as the Managing Director and CFO of Kyushu Railway Company and has respectable knowledge in finance and accounting. In addition, Ms. Ritsuko Nonomiya has accumulated business experience in accounting offices of the KPMG Group and other places in the U.S. and Japan, and has engaged in M&A and business development in the UBS Group, the GE Group and the Houlihan Lokey Group. Thus,

she has expert knowledge in finance and accounting. Mr. Yasuhiro Nakajima has been engaged as a Certified Public Accountant for many years and has served as a Representative Partner and a member of the Oversight Board at PricewaterhouseCoopers Aarata (currently PwC Japan LLC). Through these roles, he possesses extensive specialized knowledge in finance and accounting.

2) Name, Position and Responsibilities at the Company for Corporate Executive Officers of the Company

(As of December 31, 2025)

Position	Name	Responsibilities at the Company
Representative Corporate Executive Officer Executive Officer President and CEO	Kentaro Fujiwara	
Representative Corporate Executive Officer Executive Officer	Ayako Hirofuji	Chief Financial Officer Chief DE&I Officer
Corporate Executive Officer Executive Officer	Yoshiaki Okabe	Chief Marketing & Innovation Officer
Corporate Executive Officer Executive Officer	Norio Tadakawa	Chief Business Transformation Officer Chief Corporate Communication Officer Chief Quality Officer
Corporate Executive Officer Executive Officer	Toshinobu Umetsu	CEO, China & Travel Retail Region

(As of January 1, 2026)

Position	Name	Responsibilities at the Company
Representative Corporate Executive Officer Chief Officer President and CEO	Kentaro Fujiwara	
Representative Corporate Executive Officer Chief Officer	Ayako Hirofuji	Chief Financial Officer
Corporate Executive Officer Chief Officer	Mizuki Hashimoto	Chief Brand Officer
Corporate Executive Officer Chief Officer	Yosuke Tojo	Chief Innovation Officer Global Technology Officer

Notes:

1. Mr. Kentaro Fujiwara and Ms. Ayako Hirofuji concurrently serve as director.
2. Ms. Mizuki Hashimoto and Mr. Yosuke Tojo were appointed as a corporate executive officer on January 1, 2026 and assumed the position.
3. The names and other information of the corporate executive officers who retired during the period are as follows.

Name	Positions and Responsibilities Upon Retirement	Date of Retirement
Yoshiaki Okabe	Corporate Executive Officer Executive Officer Chief Marketing & Innovation Officer	December 31, 2025
Norio Tadakawa	Corporate Executive Officer Executive Officer Chief Business Transformation Officer Chief Corporate Communication Officer Chief Quality Officer	December 31, 2025
Toshinobu Umetsu	Corporate Executive Officer Executive Officer CEO, China & Travel Retail Region	December 31, 2025

4. Regarding officers who do not concurrently serve as either directors or corporate executive officers, please refer to “Global Leadership | ABOUT US| Shiseido Company” on our corporate information website (<https://corp.shiseido.com/en/company/executiveofficers/>).

(5) Matters Concerning Important Positions at Other Organizations Concurrently Assumed by Directors and Corporate Executive Officers

Position	Name	Important Positions at Other Organizations Concurrently Assumed
External Director	Kanoko Oishi	CEO, MEDIVA Inc. CEO, Seeds 1 Co., Ltd. Outside Director, Ezaki Glico Co., Ltd.
External Director	Mariko Tokuno	Outside Director, YAMATO HOLDINGS CO., LTD. Outside Director, Nissan Motor Co., Ltd.
External Director	Yoshihiko Hatanaka	Outside Director, SONY GROUP CORPORATION Outside Director, Sekisui Chemical Co., Ltd.
External Director	Yasuko Gotoh	Outside Auditor & Supervisory Board Member, DENSO CORPORATION Outside Audit & Supervisory Board Member, Mitsui Chemicals, Inc. Audit and Inspection Commissioner of the Tokyo Metropolitan Government
External Director	Ritsuko Nonomiya	Outside Director, NAGASE & CO., LTD. CEO, Representative Director, Houlihan Lokey Corporation Outside Director, Nippon Yusen Kabushiki Kaisha
External Director	Yasuhiro Nakajima	Representative, Nakajima CPA Office Member of the Board as Outside Director, Bridgestone Corporation

Notes:

1. The Company has established “Criteria for “Important Concurrent Positions” of Directors.” The above information is provided in accordance with the criteria. The criteria are posted on our corporate information website: INVESTORS / Corporate Governance / Basic Concept for Corporate Governance (https://corp.shiseido.com/en/ir/governance/basic_concept.html).
2. External Director Ms. Mariko Tokuno retired from the post of Outside Director, YAMATO HOLDINGS CO., LTD. in June 2025.
3. External Director Mr. Yoshihiko Hatanaka retired from the post of Outside Director, SONY GROUP CORPORATION in June 2025.
4. External Director Ms. Ritsuko Nonomiya assumed the post of Outside Director, Nippon Yusen Kabushiki Kaisha in June 2025.

(6) Outline of Execution of Liability Limitation Agreements

The Company has entered into an agreement with seven external directors and two full-time members of the Audit Committee who are directors not concurrently serving as corporate executive officers to limit their liability for damages under Article 423, paragraph (1) of the Companies Act, based on the provisions of Article 427, paragraph (1) of the said Act and Article 27, paragraph (2) of the Articles of Incorporation of the Company. The limited liability amount for damages based on the agreement is the aggregate of the amounts as provided in Article 425, paragraph (1) of the same Act.

(7) Outline of Execution of Directors and Officers Liability Insurance Agreement

Pursuant to Article 430-3, paragraph (1) of the Companies Act, the Company has concluded a directors and officers liability insurance agreement with an insurance company that covers the directors, corporate executive officers and executive officers of the Company, as well as the directors and the Audit & Supervisory Board members of subsidiaries. In the event that an insured becomes subject to a claim for damages from a shareholder or third party, the said insurance agreement will compensate for damages, including compensation for damages and legal expenses to be borne by the insured. The Company bears the full cost of the insurance premium. The insurance does not cover damages resulting from criminal acts committed by the insureds or actions taken with knowledge that they violated laws and regulations.

(8) Important Positions at Other Organizations Concurrently Assumed by External Directors and Relationships between Such Organizations and the Company

	Concurrent Positions at Other Organizations	Relationships Between Such Organizations and the Company				
		Transaction Matter, etc.	Vendor, Recipient of Supporting Money, etc.	Purchaser, Provider of Supporting Money, etc.	Percentage of Transaction Value	Value for Comparison
External Director Kanoko Oishi	CEO, MEDIVA Inc.	The Company has no special relationships of interest with MEDIVA Inc.				
	CEO, Seeds 1 Co., Ltd.	The Company has no special relationships of interest with Seeds 1 Co., Ltd.				
	Outside Director, Ezaki Glico Co., Ltd.	The Company has no special relationships of interest with Ezaki Glico Co., Ltd.				
External Director Mariko Tokuno	Outside Director, YAMATO HOLDINGS CO., LTD.	Outsourcing business, etc.	YAMATO HOLDINGS Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
					Less than 1%	Consolidated operating revenue of YAMATO HOLDINGS CO., LTD. for the fiscal year ended March 31, 2025
	Outside Director, Nissan Motor Co., Ltd.	The Company has no special relationships of interest with Nissan Motor Co., Ltd.				
External Director Yoshihiko Hatanaka	Outside Director, SONY GROUP CORPORATION	Outsourcing business, etc.	SONY Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
					Less than 1%	Consolidated net sales and financial services revenue of SONY GROUP CORPORATION for the fiscal year ended March 31, 2025
	Outside Director, Sekisui Chemical Co., Ltd.	Raw materials, etc.	Sekisui Chemical Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
					Less than 1%	Consolidated net sales of Sekisui Chemical Co., Ltd. for the fiscal year ended March 31, 2025
External Director Yasuko Gotoh	Outside Auditor & Supervisory Board Member, DENSO CORPORATION	Outsourcing business, etc.	DENSO Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
					Less than 1%	Consolidated net revenue of DENSO CORPORATION for the fiscal year ended March 31, 2025
	Outside Audit & Supervisory Board Member, Mitsui Chemicals, Inc.	Raw materials, etc.	Mitsui Chemicals Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
					Less than 1%	Consolidated net revenue of Mitsui Chemicals, Inc. for the fiscal year ended March 31, 2025
	Audit and Inspection Commissioner, the Tokyo Metropolitan Government	The Company has no special relationships of interest with the Tokyo Metropolitan Government.				

	Concurrent Positions at Other Organizations	Relationships Between Such Organizations and the Company				
		Transaction Matter, etc.	Vendor, Recipient of Supporting Money, etc.	Purchaser, Provider of Supporting Money, etc.	Percentage of Transaction Value	Value for Comparison
External Director Ritsuko Nonomiya	Outside Director, NAGASE & CO., LTD.	Raw materials, etc.	NAGASE & CO. Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
					Less than 1%	Consolidated net sales of NAGASE & CO., LTD. for the fiscal year ended March 31, 2025
	CEO, Representative Director, Houlihan Lokey Corporation	The Company has no special relationships of interest with Houlihan Lokey Corporation.				
	Outside Director, Nippon Yusen Kabushiki Kaisha	The Company has no special relationships of interest with Nippon Yusen Kabushiki Kaisha.				
External Director Yasuhiro Nakajima	Representative, Nakajima CPA Office	The Company has no special relationships of interest with Nakajima CPA Office.				
	Member of the Board as Outside Director, Bridgestone Corporation	The Company has no special relationships of interest with Bridgestone Corporation.				

Notes:

1. This table indicates important positions at other organizations concurrently assumed by external directors and the existence of transactions with the Company. Where transactions exist between such organizations and the Company, the table is intended to indicate that the transactions are minimal in terms of scale, and where transactions exist that are in competition with organizations in which positions are concurrently assumed, the table is intended to indicate that the transactions have no negative impact on the interests of shareholders.
2. In the table, the name of the company group at which the external director holds a concurrent position includes that company itself, as well as parent companies, consolidated subsidiaries, equity- method associates, etc. whose names are listed under the “Information on subsidiaries and associates” in “1. Overview of the Company” of “Part I. Information on the Company” in the Securities Report submitted by that company in the immediately preceding business year; similarly, “the Shiseido Group” includes Shiseido Co., Ltd, as well as parent companies, consolidated subsidiaries, and equity-method associates whose names are listed under the “Information on subsidiaries and associates” in “1. Overview of the Company” of “Part I. Information on the Company” in the Securities Report submitted in the immediately preceding business year.
3. The Company has established “Criteria for stating the relationship between the Company and the organizations in which the Company’s External Director holds “Important Concurrent Positions.”” The above information is provided in accordance with the criteria. The criteria are posted as items voluntarily disclosed relating to business report on our corporate information website: INVESTORS / Basic Concept for Corporate Governance (https://corp.shiseido.com/en/ir/governance/basic_concept.html).

(9) Other Main Activities of External Directors

Position and Name	Attendance Status	Remarks and Outline of Duties Performed in Relation to the Expected Roles as External Director
External Director <Independent> Kanoko Oishi	13 out of 13 Board of Directors meetings (100%)	At Board meetings, leveraging her background as a domestic and international consultant and her expertise from a standpoint of an active manager who is pushing forward with a patient-centered transformation of the medical industry, Ms. Oishi has effectively fulfilled her supervisory role. In particular, regarding the development and monitoring of the new Medium-term Strategy, she raised questions and made remarks to sharpen the focus of consumer-centric branding and marketing strategies, thereby contributing to robust strategic planning and long-term sustainable growth.
	12 out of 13 Nominating Committee meetings (92.3%)	As a member of the Nominating Committee and the Compensation Committee, she enhanced the discussions with opinions based on her experience and expertise as an active executive.
	13 out of 13 Compensation Committee meetings (100%)	

Position and Name	Attendance Status	Remarks and Outline of Duties Performed in Relation to the Expected Roles as External Director
External Director <Independent> Shinsaku Iwahara	13 out of 13 Board of Directors meetings (100%)	At Board meetings, leveraging his knowledge concerning the capital market, financial industry, and corporate governance, in addition to his legal knowledge as a legal scholar, Mr. Iwahara fulfilled an oversight function regarding the management. In particular, he raised questions and made remarks on the enhancement of internal control, corporate governance framework and the optimization of risk management, thereby contributing to the strengthening of an oversight function. He also led the discussions at the Nominating Committee as a Chairperson, and enhanced the discussions at the Compensation Committee with opinions concerning value sharing with the capital market.
	13 out of 13 Nominating Committee meetings (100%)	
	13 out of 13 Compensation Committee meetings (100%)	
External Director <Independent> Mariko Tokuno	13 out of 13 Board of Directors meetings (100%)	At Board meetings, leveraging her experience as a manager of a company possessing global prestige brands, Ms. Tokuno fully demonstrated oversight function regarding management. In particular, she provided recommendations and inquiries on the strategic significance of brand-specific growth strategies and human capital investment within the new Medium-term Strategy, thereby contributing to discussions for effective strategy formulation and sustainable growth. She also enhanced the discussions at the Nominating Committee and the Compensation Committee with opinions based on her insights as a corporate executive.
	13 out of 13 Nominating Committee meetings (100%)	
	13 out of 13 Compensation Committee meetings (100%)	
External Director <Independent> Yoshihiko Hatanaka	13 out of 13 Board of Directors meetings (100%)	At Board meetings, leveraging his diversified and broad knowledge of corporate management in addition to his experience and track record as a top executive of a globally operating listed company, Mr. Hatanaka fulfilled an oversight function regarding the management. In particular, he provided recommendations and inquiries from the perspectives of clarifying the strategic story, strengthening earning power, and utilizing human capital within the new Medium-term Strategy. Throughout the Board meetings, he also actively offered proposals and inquiries on key issues such as management policies, global business expansion, and dialogue with the capital markets, thereby contributing to effective strategy formulation, management aimed at sustainable growth, and the encouragement of appropriate risk-taking. Furthermore, as Chairperson of the Board, he led discussions that encouraged prompt and accurate decision-making in light of the changing business environment, significantly contributing to the enhancement of the Board's agility and quality. As a member of the Nominating Committee, he participated in discussions regarding policies for the selection of management personnel. On the Compensation Committee, he led the discussions as Chairperson and contributed to productive deliberations.
	13 out of 13 Nominating Committee meetings (100%)	
	13 out of 13 Compensation Committee meetings (100%)	
External Director <Independent> Yasuko Gotoh	13 out of 13 Board of Directors meetings (100%)	At Board meetings, leveraging her experience as a public officer inside and outside Japan and her knowledge gained through participation in the management of a listed business company, Ms. Gotoh fulfilled an oversight function regarding the management. In particular, she raised questions and made remarks on the improvement of brand equity and the global organizational structure, thereby contributing to enhancing the effectiveness and reliability of the new Medium-term Strategy. As Chairperson of the Audit Committee, she led and enhanced the discussions by providing opinions based on her experience at other listed companies, as well as her extensive experience and expertise in finance and accounting.
	19 out of 19 Audit Committee meetings (100%)	

Position and Name	Attendance Status	Remarks and Outline of Duties Performed in Relation to the Expected Roles as External Director
External Director <Independent> Ritsuko Nonomiya	13 out of 13 Board of Directors meetings (100%) 19 out of 19 Audit Committee meetings (100%)	At Board meetings, leveraging her extensive knowledge in finance and accounting, and experience gained through her work as an M&A specialist, Ms. Nonomiya fulfilled an oversight function regarding the management. In particular, she provided recommendations and inquiries on enhancing effectiveness to achieve profitability targets in the new Medium-term Strategy, as well as on risks related to structural reform proposals, thereby contributing to growth-oriented management and encouraging appropriate risk-taking. As a member of the Audit Committee, she enhanced the discussions by expressing opinions based on her business experience, including M&A.
External Director <Independent> Yasuhiro Nakajima	10 out of 10 Board of Directors meetings (100%) 13 out of 13 Audit Committee meetings (100%)	At Board meetings, leveraging his experience as a Certified Public Accountant and his insights into the management of global companies, Mr. Nakajima fulfilled an oversight function regarding the management. In particular, he provided pointed inquiries and recommendations regarding the formulation of the new Medium-term Strategy and the oversight of its execution, focusing on the alignment and effectiveness of financial targets and growth drivers. Furthermore, by raising inquiries on key proposals from a risk perspective, he contributed to effective strategy formulation and the assurance of transparent management. As a member of the Audit Committee, he enhanced the discussions by expressing opinions based on his insights in finance and accounting, which is his area of expertise.

Notes:

1. Since Mr. Yasuhiro Nakajima assumed office at the 125th Annual General Meeting of Shareholders held on March 26, 2025, the attendance shown reflects the meetings held after his assumption of office.
2. In addition to the number of Board of Directors meetings shown above, there was one deemed resolution where the resolution of the Board of Directors was deemed to have been made pursuant to the provisions of Article 370 of the Companies Act and Article 26, paragraph (2) of the Articles of Incorporation of the Company.

(10) Remuneration, etc. to Directors and Corporate Executive Officers

1) Basic Philosophy of the Remuneration to Directors, Corporate Executive Officers and Executive Officers of the Company

The Company regards the remuneration policy for the directors, corporate executive officers and executive officers who do not concurrently serve as directors or corporate executive officers as an important matter for corporate governance. For this reason, in accordance with the following basic philosophy, the directors, corporate executive officers and executive officers remuneration policy of the Company is deliberated and determined in the Compensation Committee, which comprises four independent external directors, to incorporate objective points of view.

Basic Philosophy and Policy of the Remuneration to Directors, Corporate Executive Officers and Executive Officers

The remuneration policy to directors, corporate executive officers and executive officers shall:

1. encourage to realize the corporate mission;
2. aim to ensure attractive remuneration to acquire and retain top talent in global talent market;
3. aim to enhance the long-term corporate value and strongly incentivize to achieve the company's long-term vision and medium-to long-term strategy;
4. have a mechanism incorporated to prevent overemphasis on short-term views while instilling motivation to achieve short-term goals;
5. be designed as transparent, fair and reasonable from the viewpoint of accountability to stakeholders including shareholders and employees, and remuneration shall be determined through appropriate processes to ensure those points.
6. be designed to establish remuneration standards based on the significance (Grade) of role/responsibility reflecting the mission of respective directors, corporate executive officers and executive officers, and differentiate remuneration according to the level of strategic target accomplished (achievements).

2) The Company's Directors, Corporate Executive Officers and Executive Officers Remuneration Policy

Based on the above basic philosophy, the Compensation Committee of the Company has resolved its policy on decisions regarding matters including remuneration, etc. of individual directors, corporate executive officers and executive officers. The Company's directors, corporate executive officers and executive officers remuneration policy, including an outline of the policy on decisions regarding matters including remuneration, etc. of individual directors, corporate executive officers and executive officers, is described below.

■ Overall Picture

The remuneration of the directors, corporate executive officers and executive officers of the Company comprises "basic remuneration" as fixed remuneration as well as "annual incentive" and "long-term incentive-type remuneration (non-monetary remuneration)" as performance-linked remuneration, and the Company sets remuneration levels by benchmarking peer companies in the same business industry inside or outside Japan and by taking the Company's financial condition into consideration. Matters including remuneration, etc. of individual directors and corporate executive officers are deliberated on and determined by the Compensation Committee. Matters including the remuneration, etc. of individual directors and corporate executive officers for the fiscal year ended December 31, 2025 were deliberated on and determined by the Compensation Committee, while taking into account the social conditions and economic situation surrounding the Company, according to the specific remuneration framework and indicators designed based on the policy on decisions regarding matters including remuneration, etc. of individual directors and corporate executive officers. The Company therefore determines that matters including remuneration, etc. are in line with the aforementioned policy on decisions.

All of the Company's corporate executive officers concurrently serve as executive officers, and their remuneration is determined based on factors such as grades established according to the size of the roles they fulfill as executive officers. The remuneration for each executive officer is designed to allow for merit increases within a certain range based on personal performance evaluations, etc., ensuring that the Company can reward the achievements of each executive officer.

Given that the expected roles of directors are to oversee execution and provide management advice, the remuneration for non-executive directors, including external directors, consists solely of fixed remuneration (basic remuneration). This structure ensures that they can fulfill these roles from an independent standpoint, unaffected by fluctuations in business performance.

In addition, in the case of directors who also serve as corporate executive officers, remuneration for their service as a director is not included in this remuneration. Furthermore, the Company does not have an officers' retirement benefit plan.

[The Proportion of Each Remuneration Element of Executive Officer by Remuneration Type]

The proportion of remuneration is set by Grade based on the significance of the role and responsibilities, and the higher the Grade becomes, the higher the proportion of performance-linked remuneration becomes.

	Composition of Remuneration for Corporate Executive Officers and Executive Officers			
	Fixed Remuneration	Performance-linked Remuneration		Total
	Basic Remuneration	Annual Incentive	Long-Term Incentive-Type Remuneration	
CEO	20.0%	20.0%	60.0%	100%
Other Executive Officer	42.0%–57.0%	21.5%–29.0%	21.5%–29.0%	

Notes:

1. The proportions shown in the above table may change depending on the Company's performance and/or its stock price's fluctuation, as financial value of performance-linked remuneration is shown at target where the Company pays 100%.
2. There is no differentiated proportion of each remuneration element for executive officers based on whether an individual concurrently serves as a corporate executive officer or holds representative rights.
3. Because different remuneration tables will be applied depending on the Grade of executive officers, proportions of each individual remuneration element will vary.

■ Fixed Remuneration (Basic Remuneration)

The basic remuneration for the Company's executive officers is determined for each Grade based on the significance of the role and responsibilities assumed by each executive officer. In addition, basic remuneration for non-executive directors, including external directors, is determined based on factors such as comparisons with other companies and the Company's financial position. Basic remuneration is paid on a monthly basis.

■ Performance-Linked Remuneration (Annual Incentive and Long-Term Incentive-Type Remuneration)

The performance-linked remuneration consists of an "annual incentive" provided as an incentive for achieving goals for the corresponding fiscal year, and "performance-linked stock compensation (performance share units) as long-term incentive-type remuneration" provided with the aims of establishing a sense of common interests with the shareholders and instilling motivation to enhance corporate value over the medium to long term. Accordingly, it is designed to motivate executive officers to manage business operations while being more conscious about the Company's

performance and share price from the perspectives of not only a single year but also over the medium to long term.

● Annual Incentive

The Company has set evaluation items for the annual incentive in accordance with the business performance of executive officers as described in the following table, in addition to the achievement rate of target consolidated net sales and core operating profit, which are financial indicators, as common performance indicators across all executive officers. In addition, for all executive officers, the Company has set a personal performance evaluation component. This is designed to incorporate the achievement of strategic objectives that cannot be measured solely by financial performance figures, such as initiatives for transformation and the restructuring of business foundations to achieve sustainable growth. The range of changes in the percentage amount of payment is set between 0% and 200%.

Although it is essential that the entire management team remains aware of matters involving profit attributable to owners of parent, the Company must ensure that this focus does not become an excessive constraint on proactive investments in future growth and initiatives to resolve challenges for long-term growth. As such, upon the Compensation Committee deliberation, the Company has preliminarily established certain performance standards (thresholds) as described in the table below, with the evaluation framework designed so that the Compensation Committee will consider the possibility of lowering the percentage amount of the annual incentive payment attributable to the whole group performance component of the total annual incentive, if results fall below the thresholds. In determining the achievement rate of each target and threshold for consolidated net sales, core operating profit and profit attributable to owners of parent, actual performance may be adjusted based on the deliberations and decisions by the Compensation Committee. In cases where such adjustments are made, it shall be stated in the disclosure materials of the actual remuneration of corporate executive officers.

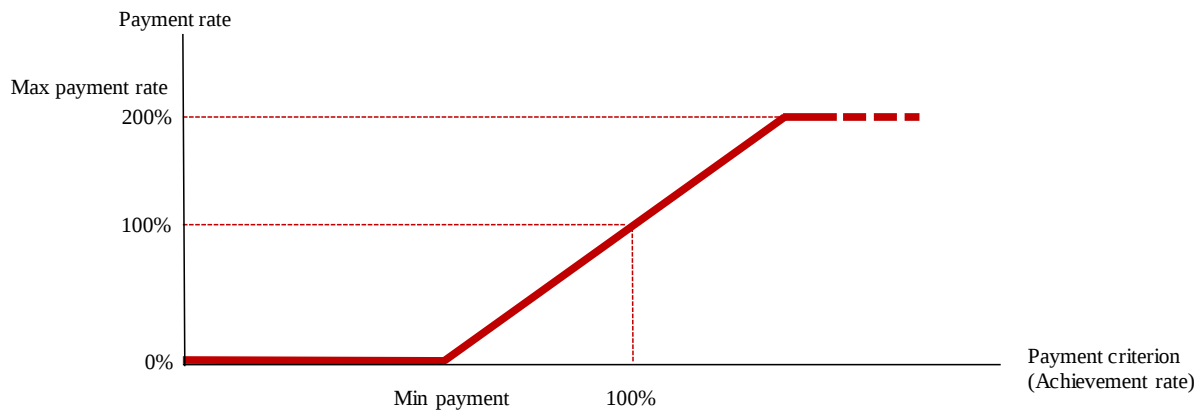
Annual incentive is paid once a year.

Performance Indicators and Evaluation Weights for Annual Incentive, Which Are Determined in accordance with the Scope of Responsibility of an Executive Officer

Evaluation Item	Performance Indicators	Evaluation Weight							
		CEO		Executive Officers in Charge of Businesses				Executive Officers in Charge of Corporate Function	
				Regional Headquarters CEO		Others			
Whole Group Performance	Consolidated net sales	30%	70%	10%	20%	10%	20%	30%	70%
	Core operating profit	40%		10%		10%		40%	
		Profit attributable to owners of parent	If this amount ends up below the threshold, the Compensation Committee will consider lowering the percentage amount of the payment attributable to the whole group performance component.						
Performance of Business Unit in Charge	Business performance evaluation	—		50%		50%		—	
Personal Performance	Level of achievement of strategic goals set individually	30%							
		Strategically prioritized transformations and initiatives for realizing our long-term vision and strategy, and building and strengthening organizational capabilities to realize said transformations and initiatives.							

Note: There is no difference in the performance indicators and the weight of performance indicators applied to executive officers based on whether an individual concurrently serves as a corporate executive officer or holds representative rights.

Model of annual incentive payment rate



● Long-Term Incentive-Type Remuneration

The Company has established the following objectives for introducing the long-term incentive-type (LTI) remuneration and has adopted performance share units, a type of performance-linked stock compensation, to incentivize executive officers to create corporate value over the medium to long term.

Furthermore, based on the following objectives, the Company also includes key domestic and overseas executives and employees in the scope of eligibility for the LTI.

Purposes of introducing the LTI

The LTI is adopted for the purposes of establishing effective incentives for creating and maintaining corporate value over the long term, and ensuring that corporate executive officers' and executive officers' interests consistently align with those of our shareholders. To such ends, the LTI will help:

- i) promote efforts to create value by achieving our long-term vision and strategic goals,
- ii) curb potential damage to the corporate value and maintain substantial corporate value over the long term,
- iii) attract and retain talent capable of taking on leadership in business, and
- iv) realize a "Global One Team" by fostering a sense of solidarity among management teams of the entire Shiseido Group and instilling the consciousness of participating in the running of the Company.

Under the Company's performance share units, the Company grants a reference share unit to each of the eligible parties once every fiscal year, and on each annual grant, the payment relates to the respective fiscal years. To make such grants, the Company establishes multiple performance indicators with an evaluation period of three fiscal years including the fiscal year related to the payment. The Company uses the respective results of each performance indicator to calculate the payment rate in a range from 50% to 150% after the end of the evaluation period, and it uses the payment rate to increase or decrease the number of share units. The eligible parties shall be paid monetary remuneration claims for the delivery of the shares of the Company's common stock and cash corresponding to the applicable number of share units, and then each eligible party receives delivery of shares of common stock of the Company by paying all the monetary remuneration claims using the method of contribution in kind. Furthermore, in order to realize the aims of consistently aligning the sense of interests with those of our shareholders, curbing potential damage to corporate value, maintaining substantial corporate value over the long term, and attracting and retaining competent talent, the Company sets a minimum payout rate of 50%, establishing a fixed portion in addition to the performance-linked portion.

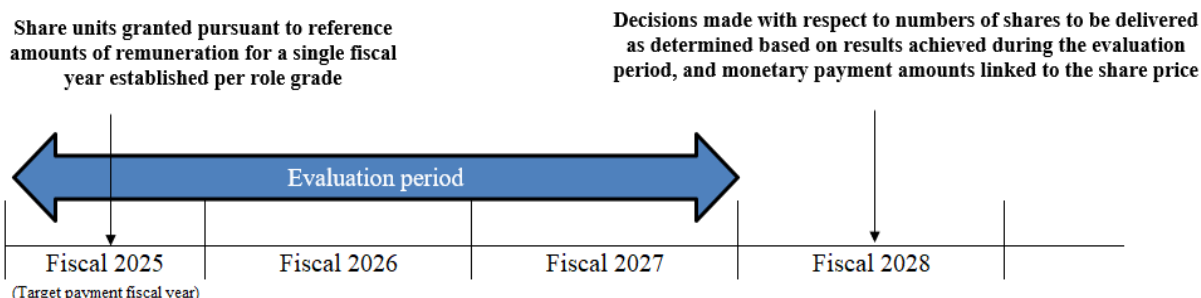
As for the performance indicators for the 2025 LTI, the Company has adopted a shareholder value indicator (TSR: total shareholder return) and a capital efficiency indicator (ROIC: return on invested capital) as indicators for economic value. This is intended to realize management conscious of corporate value and steadily promote the "Action Plan 2025-2026" announced in November 2024 as well as subsequent growth strategies, which aim to build a resilient business structure for achieving stable profit growth even amid volatile market conditions. Furthermore, the Company has adopted

multiple internal and external indicators related to Environmental, Social, and Governance (ESG) as performance metrics for social value. This structure is designed to promote the enhancement of corporate value from the perspectives of both economic and social value.

To receive payments under the LTI, eligible parties are required to have served continuously in the position of corporate executive officer or executive officer during a certain period set in advance.

The Company adopts the malus and clawback provisions with regard to performance share units. Specifically, under certain conditions, such as in case of serious misconduct of a person eligible for payment, the Compensation Committee may, based on its decision, reduce the number of share units or receive a refund.

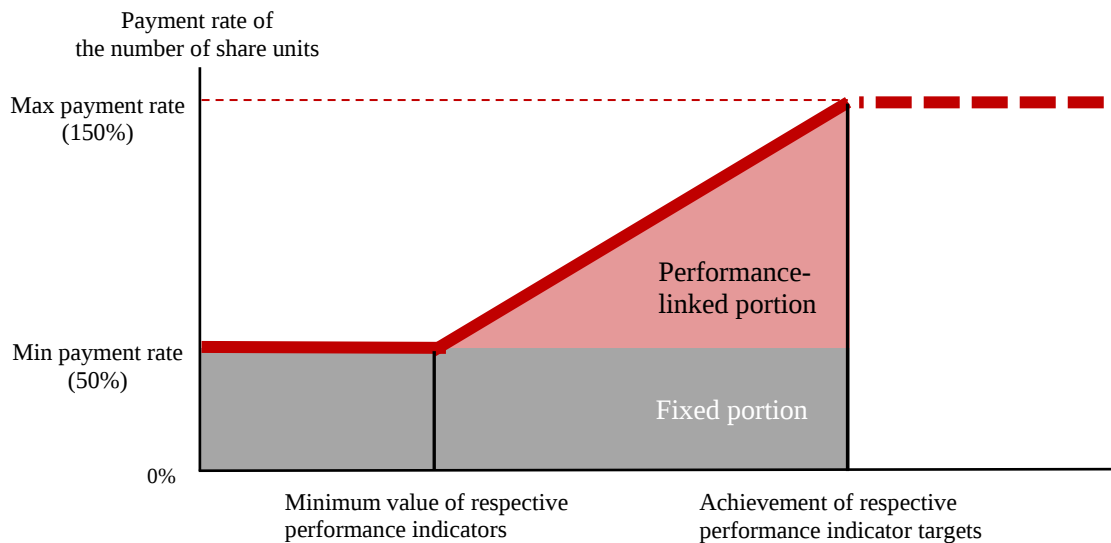
LTI schedule



Performance indicators and evaluation weights for performance-linked portion of the LTI

Evaluation Item	Performance Indicators		Evaluation Weight	
Economic Value	Relative TSR (total shareholder return)		50%	100%
	ROIC (return on invested capital) in the final fiscal year of the evaluation period		30%	
Social Value	Environment	Status of the achievement of the CO ₂ emissions reduction target	20%	
	Society	Ratio of female managers/leaders in Japan and overseas at the Company, and the status of inclusion in the indices related to the promotion of women by ESG rating agencies designated by the Company		
	ESG	Evaluation scores by ESG rating agencies designated by the Company		

Model for payment rate of the number of share units for the LTI



■ Framework to Ensure Objectivity, Fairness and Transparency of Evaluation That Serves as a Basis for Determination for Remuneration

In the Company's remuneration policy for directors, corporate executive officers and executive officers, the personal performance evaluation of each individual as an executive officer has a significant impact on determining both the amount of the annual bonus paid in recognition of performance for the respective fiscal years and the rate of merit increase for the following year's remuneration. Unlike evaluations based on performance indicators such as consolidated net sales, personal performance evaluation is not a quantitative evaluation, except for certain evaluation items. It therefore requires a framework to ensure its objectivity, fairness and transparency.

To this end, the Compensation Committee, which comprises four independent external directors and plays an extensive role in evaluating the CEO, evaluates and determines the overall business performance including the personal performance evaluation for the CEO.

For the personal performance evaluation of executive officers who concurrently serve as corporate executive officers, excluding the CEO, the CEO makes a proposal to the Compensation Committee, and the Compensation Committee monitors the evaluation process and the evaluation approach and makes a decision.

Personal performance evaluation of executive officers other than those mentioned above is performed by the CEO. Objectivity, fairness and transparency of this personal performance evaluation are ensured by the Compensation Committee, which monitors this evaluation process and the evaluation approach.

3) Amount of Remuneration, etc. to Directors and Corporate Executive Officers for the Fiscal Year Ended December 31, 2025

(Millions of yen)

	Basic Remuneration, etc.	Annual Incentive	Total of the left* (a)	Long-Term Incentive (Stock Compensation) (b)	Total [(a)+(b)]
Directors (11 persons)	223	—	223	(34)	188
External Directors (8 persons, including 1 who retired in March 2025)	132	—	132	—	132
Corporate Executive Officers (5 persons)	318	221	539	341	881
Total	541	221	762	307	1,070

* Total remuneration in cash that has been confirmed by March 2026.

Notes:

1. The Company does not provide directors' remuneration to directors who concurrently serve as corporate executive officers. Therefore, the remuneration of the two directors who concurrently serve as corporate executive officers is included in the "Corporate Executive Officers" category, not the "Directors" category.
2. The amount of long-term incentive-type remuneration (stock compensation) for directors and corporate executive officers indicated above represents the total amount of the expenses recognized and measured in line with IFRS 2 "Share-based Payment" for the fiscal year ended December 31, 2025, on the performance-linked stock compensation (performance share units) granted in consideration of duties executed by directors and corporate executive officers. The amount of long-term incentive-type remuneration (stock compensation) for directors includes the expenses recognized for the fiscal year ended December 31, 2025 related to the unvested portion of performance-linked stock compensation (performance share units) for directors who retired in March 2025. In addition, it has been resolved that the portion equivalent to 50% of the remuneration, etc. based on the aforesaid remuneration policy is provided in monetary remuneration claims for the delivery of shares of the common stock of the Company and the rest in cash. The said amount of the expenses recognized includes -¥22 million in adjustment to the expenses recognized based on the achievement rate of performance indicator of the delivered long-term incentive-type remuneration (stock compensation).
3. In addition, an adjustment of -¥7 million was recorded to the expenses recognized for past fiscal years, on the performance-linked stock compensation (performance share units) delivered to three corporate executive officers of the Company at the time the corporate executive officers held the position of executive officer or employee.
4. Of the above, the remuneration paid in local currency was translated into Japanese yen using the average internal exchange rate during the fiscal year ended December 31, 2025.

4) Amounts of Remuneration, etc. to Directors and Corporate Executive Officers Whose Total Amount of Remuneration, etc. Exceeded ¥100 Million for the Fiscal Year Ended December 31, 2025

(Millions of yen)

	Basic Remuneration, etc.	Annual Incentive	Total of the left* (a)	Long-Term Incentive (Stock Compensation) (b)	Total [(a)+(b)]
Kentaro Fujiwara Director Representative Corporate Executive Officer President and CEO	71	68	139	210	350
Yoshiaki Okabe Corporate Executive Officer Chief Marketing & Innovation Officer	55	41	97	38	135
Norio Tadakawa Corporate Executive Officer Chief Business Transformation Officer Chief Corporate Communication Officer Chief Quality Officer	54	36	90	31	122
Toshinobu Umetsu Corporate Executive Officer CEO, China & Travel Retail Region (Note 2.)	98	43	141	32	174

* Total remuneration in cash that has been confirmed by March 2026.

Notes:

1. The amount of long-term incentive-type remuneration (stock compensation) for directors and corporate executive officers indicated above represents the total amount of the expenses recognized and measured in line with IFRS 2 “Share-based Payment” for the fiscal year ended December 31, 2025, on the performance-linked stock compensation (performance share units) granted in consideration of duties executed by directors and corporate executive officers. The said amount of the expenses recognized includes an adjustment of -¥15 million to the expenses recognized based on the achievement rate of performance indicator of the delivered long-term incentive-type remuneration (stock compensation).
2. The above amount, concerning additional expenses, etc. incurred due to the corporate executive officer Mr. Umetsu being stationed abroad, includes the tax adjustments, etc., associated with the international transfer to ensure that the remuneration that would be expected if the corporate executive officer were not stationed overseas is reflected.
3. Of the above, the remuneration paid in local currency was translated into Japanese yen using the average internal exchange rate during the fiscal year ended December 31, 2025.
4. No director and corporate executive officer above were paid remuneration other than described above (including that described in notes 1. through 3.).

5) Performance Evaluation Indicators, Actual Performance and Payment Percentage, etc. of Annual Incentive Paid to Corporate Executive Officers

(Billions of yen)

Performance Evaluation Indicators		Fluctuation Range of Payment Percentage	Targets for Payment Percentage at 100%	Actual Performance	Achievement Rate	Payment Percentage Calculated Based on the Target Achievement Rate
Whole Group Performance	Consolidated Net Sales	0%–200%	995.0	970.0	97.5%	(Note 1.) 17.0%
	Core Operating Profit		36.5	44.5	121.9%	(Note 1.) 197.0%
Profit Attributable to Owners of Parent		–	(Note 2.)	(40.7)	–	(Note 2.)
Performance of Business Unit in Charge		0%–200%	(Note 3.)			
Personal Performance Evaluation			(Note 4.)	–	–	(Note 4.) 133.0% (Average)

Total payment rate	(Note 5.) 107.1%
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Notes:

1. With regard to consolidated net sales and core operating profit, in the calculation of the payment percentage, adjustments are made to exclude the impact of business transfers, foreign exchange and other factors on targets and actual performance set at the beginning of the period, in order to compare the targets and the actual performance in practically the same situation. The payment percentages reflect those adjustments.
2. The Company has set profit attributable to owners of parent as a benchmark for the Compensation Committee to discuss the notion of lowering the payment percentage of the annual incentive based on company-wide performance in the event that profit attributable to owners of parent falls below the thresholds set. For the fiscal 2025, the profit attributable to owners of parent fell under the thresholds. A 25% reduction in the payment percentage for corporate executive officers has been implemented by the decision of the Compensation Committee.
3. Key performance evaluation indicators such as net sales, profits and cost indices, etc. are set to measure performance of each business unit in charge. Specific figures are not disclosed.
4. Each individual's priority targets are set in personal performance evaluation considering not only a single fiscal year performance but also initiatives to realize long-term strategies that reflect management approach and Corporate Philosophy, such as improvement in organizational capabilities.
5. The total payment rate is the ratio of the actual amount paid to the target amount of annual incentive for corporate executive officers.

6) Performance Evaluation Indicators, Actual Performance and Payment Percentage, etc. of Long Term Incentive-type Remuneration Granted for Fiscal 2022 and Paid to Directors Excluding External Directors

Performance Evaluation Indicators		Fluctuation Range of Payment Percentage	Weight	Targets for Maximum Payment Percentage	Actual Performance	Achievement Rate against Target for Maximum Payment Percentage	Payment Percentage
Compound average growth rate (CAGR) of consolidated net sales		50%–150% (including fixed portion 50.0%)	30.0%	Compound average growth rate (CAGR) from 2019: 7.0%	-0.9%	0.0%	15.0%
Consolidated operating profit margin			50.0%	Consolidated operating profit margin in the final fiscal year of the evaluation period Operating profit margin: 15%	0.8%	0.0%	25.0%
Multiple internal and external indicators pertaining to the environment, society and governance (ESG) with focus on the area of “empowered beauty”	Ratio of female managers in Japan		4.0%	40% in the final fiscal year of the three-year period	41%	100.0%	6.0%
	Ratio of female leaders in overseas		2.0%	50% in the final fiscal year of the three-year period	56%	100.0%	3.0%
	MSCI Japan Empowering Women Select Index		2.0%	Continuing adoption as main stock in the final fiscal year of the three-year period	Continued adoption	100.0%	3.0%
	CO2 emissions reduction target		6.0%	21% reduction of CO2 emissions as of the end of 2024 (compared to 2019)	55%	100.0%	9.0%
	Dow Jones Sustainability Indices (DJSI)		6.0%	Difference between top rated companies of DJSI World and DJSI Asia Pacific in the final fiscal year of the three-year period: Average 90 to 100 percentiles	100%iles	100.0%	9.0%
Consolidated ROE		thresholds	-	Threshold target: Average of 5.0% or more in the past 10 years	5.9%	Achieved	-

Total payment rate	70.0% (including fixed portion 50.0%)
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Notes:

- The period of evaluation for the performance-linked stock remuneration (performance share units) granted for fiscal 2022 is from January 1, 2022 to December 31, 2024.
- The payment rate is calculated by applying the actual results for each item to the prescribed payment percentage table. Of the performance evaluation indicators, the actual performance ratio of the ESG indicator is calculated by rounding off to the nearest whole number.

(11) Matters Concerning Accounting Auditor

1) Name of Accounting Auditor

KPMG AZSA LLC

Notes:

1. The Company has not entered into a liability limitation agreement with KPMG AZSA LLC.
2. Of the significant subsidiaries of the Company, some overseas subsidiaries are subject to audits of accounts by a certified public accountant or incorporated accounting firm (including overseas auditors possessing similar qualifications) other than the accounting auditor of the Company.

2) Remuneration, etc. to the Accounting Auditor

(Millions of yen)

Category	Amount
Remuneration paid for services rendered as the accounting auditor for the fiscal year ended December 31, 2025	278
Total cash and other remuneration to be paid by the Company and its subsidiaries to the accounting auditor	325

Notes:

1. In the audit contract between the Company and its accounting auditor, remuneration paid for audits under the Companies Act and remuneration paid for audits under the Financial Instruments and Exchange Act are not clearly distinguished and cannot be practically separated. Therefore, the total payment for both is shown in “Remuneration paid for services rendered as the accounting auditor for the fiscal year ended December 31, 2025” above.
2. In addition to the above, the amount of remuneration paid for services rendered as the accounting auditor includes ¥17 million as the amount of additional fees related to the preceding fiscal year.

3) Reason for Audit Committee to Have Agreed to Remuneration, etc. to the Accounting Auditor

The Audit Committee of the Company reviewed the status of performance of duties and basis for the calculation of the estimated amount of remuneration in the previous fiscal year as well as the validity of both descriptions in the audit plan prepared by the accounting auditor during the current fiscal year and the estimated amount of remuneration, using the “Practical Guidelines for Cooperation with Accounting Auditors” released by the Japan Audit & Supervisory Board Members Association as a guide, and by way of necessary documents obtained from the directors, internal relevant departments and the accounting auditor as well as interviews to obtain information from them, and determined that the fees, etc. of the accounting auditor were appropriate, and expressed agreement in accordance with Article 399, paragraph (1) and paragraph (4) of the Companies Act.

4) Details of Services Other Than Audit

The Company entrusted the accounting auditor with the “preparation of ‘document from the accounting auditor to the managing underwriting firm’ concerning bond issuance,” which is a service other than services under Article 2, paragraph (1) of the Certified Public Accountants Act (services other than audit). The amount of remuneration, etc. is ¥0 million, which is included in the “Total cash and other remuneration to be paid by the Company and its subsidiaries to the accounting auditor” under the “2) Remuneration, etc. to the Accounting Auditor” above.

5) Policy Relating to Determination of Dismissal of or Not to Reappoint Accounting Auditor

In the event that the Company determines that keeping an accounting auditor as its accounting auditor causes material trouble to the Company for the reasons, among others, that the accounting auditor has violated its duties, negated its duties or behaved in a manner inappropriate as an accounting auditor, the Audit Committee shall dismiss the accounting auditor pursuant to Article 340 of the Companies Act.

Furthermore, in the event that it is deemed that the accounting auditor is unable to carry out its duties duly or change of the accounting auditor to another audit firm is reasonably required to enhance the appropriateness of accounting audit, the Board of Directors shall submit a proposal to the general meeting of shareholders for the dismissal of the accounting auditor or not to reappoint the accounting auditor in accordance with the resolution of the Audit Committee on the proposal resolved in consideration of the opinion of the executive agency.

Notes:

1. Amounts in this business report given in billions of JPY have been rounded to the nearest 0.1 billion, and other amounts have been rounded down to the nearest million JPY, thousand USD, thousand EUR, thousand RUB, thousand CNY, thousand TWD or thousand SGD. In the notation of 1,000 shares, shares of less than one unit have been omitted.
2. In regard to the calculation of percentages, the ownership percentage of shares, the composition percentage of directors and the attendance rate of the respective meetings are rounded down to one decimal place. In general, other amounts are rounded to one decimal place.
3. Figures in parentheses () or “-” in graphs and tables denote negative value such as loss or decrease.
4. “Shain (employee)” in this business report is not “shain (shareholder/interest holder)” as defined by the Companies Act, but has the same meaning as “employee.”

The business report according to Article 435, paragraph (2) of the Companies Act is as indicated above.

Consolidated Statement of Financial Position

(As of December 31, 2025)

(Millions of yen)

	December 31, 2025	December 31, 2024 (Reference)		December 31, 2025	December 31, 2024 (Reference)
ASSETS			LIABILITIES		
Current Assets:	471,514	477,800	Current Liabilities:	344,989	398,562
Cash and Cash Equivalents	91,839	98,479	Trade and Other Payables	141,571	152,199
Trade and Other Receivables	163,329	154,305	Bonds and Borrowings	30,000	107,000
Inventories	147,135	160,507	Lease Liabilities	20,205	21,223
Other Financial Assets	28,265	28,382	Other Financial Liabilities	20,271	6,391
Other Current Assets	40,944	36,125	Income Taxes Payable	7,931	3,413
Non-Current Assets:	795,741	854,048	Provisions	7,734	4,527
Property, Plant and Equipment	283,813	294,411	Other Current Liabilities	117,275	103,807
Goodwill	58,793	108,013	Non-Current Liabilities:	300,996	278,642
Intangible Assets	176,116	179,390	Bonds and Borrowings	181,617	131,620
Right-of-Use Assets	87,985	104,876	Lease Liabilities	91,337	103,317
Investments Accounted for Using Equity Method	2,972	2,908	Other Financial Liabilities	2,635	20,630
Other Financial Assets	96,401	89,556	Retirement Benefit Liability	6,186	5,037
Retirement Benefit Asset	35,998	10,261	Provisions	4,446	1,852
Deferred Tax Assets	45,021	54,782	Deferred Tax Liabilities	3,387	3,640
Other Non-Current Assets	8,639	9,848	Other Non-Current Liabilities	11,384	12,544
			Total Liabilities	645,985	677,205
			EQUITY		
			Share Capital	64,506	64,506
			Capital Surplus	65,855	74,138
			Treasury Shares	(1,868)	(2,325)
			Retained Earnings	320,612	356,877
			Other Components of Equity	151,650	139,277
			Total Equity Attributable to Owners of Parent	600,756	632,474
			Non-Controlling Interests	20,513	22,169
			Total Equity	621,270	654,643
TOTAL ASSETS	1,267,256	1,331,848	TOTAL LIABILITIES AND EQUITY	1,267,256	1,331,848

Consolidated Statement of Profit or Loss
(Fiscal Year from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Fiscal Year 2025	Fiscal Year 2024 (Reference)
Net Sales	969,992	990,586
Cost of Sales	226,989	237,394
Gross Profit	743,003	753,191
Selling, General and Administrative Expenses	725,558	751,444
Other Operating Income	4,869	8,561
Impairment of Goodwill	46,818	—
Other Operating Expenses	4,284	2,733
Operating Profit (Loss)	(28,788)	7,575
Finance Income	7,539	8,292
Finance Costs	7,136	19,186
Share of Profit of Investment Accounted for Using Equity Method	670	2,052
Loss Before Tax	(27,715)	(1,265)
Income Tax Expense	12,048	8,028
Loss	(39,763)	(9,294)
Profit (Loss) Attributable to		
Owners of Parent	(40,680)	(10,813)
Non-Controlling Interests	916	1,518
Loss	(39,763)	(9,294)

Reference: Consolidated Statement of Comprehensive Income

(Fiscal Year from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Fiscal Year 2025	Fiscal Year 2024 (Reference)
Loss	(39,763)	(9,294)
Other Comprehensive Income:		
Items That Will Not Be Reclassified to Profit or Loss		
Financial Assets Measured at Fair Value Through Other Comprehensive Income	(82)	(273)
Remeasurements of Defined Benefit Plans	15,983	11,816
Share of Other Comprehensive Income of Investments Accounted for Using Equity Method	7	7
Total of Items That Will Not Be Reclassified to Profit or Loss	15,908	11,550
Items That May Be Reclassified to Profit or Loss		
Exchange Differences on Translation of Foreign Operations	13,387	39,722
Share of Other Comprehensive Income of Investments Accounted for Using Equity Method	(7)	(835)
Total of Items That May Be Reclassified to Profit or Loss	13,380	38,886
Other Comprehensive Income, Net of Tax	29,288	50,437
Comprehensive Income	(10,474)	41,142
Comprehensive Income Attributable to		
Owners of Parent	(12,322)	38,375
Non-Controlling Interests	1,847	2,767
Comprehensive Income	(10,474)	41,142

Consolidated Statement of Changes in Equity
(Fiscal Year from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Equity Attributable to Owners of Parent					
	Share Capital	Capital Surplus	Treasury Shares	Retained Earnings	Other Components of Equity	
					Exchange Differences on Transition of Foreign Operations	Financial Assets Measured at Fair Value Through Other Comprehensive Income
Balance as of January 1, 2025	64,506	74,138	(2,325)	356,877	139,277	—
Comprehensive Income						
Profit (Loss)				(40,680)		
Other Comprehensive Income					12,373	7
Total Comprehensive Income	—	—	—	(40,680)	12,373	7
Transactions with Owners						
Purchase of Treasury Shares			(2)			
Disposal of Treasury Shares			459	(176)		
Dividends				(11,984)		
Change in Ownership Interest in Subsidiaries		(8,259)				
Share-Based Payment Transactions		(23)		606		
Transfer to Retained Earnings				15,984		(7)
Other				(13)		
Total Transactions with Owners	—	(8,283)	457	4,415	—	(7)
Balance as of December 31, 2025	64,506	65,855	(1,868)	320,612	151,650	—

(Millions of yen)

	Equity Attributable to Owners of Parent			Non-Controlling Interests	Total
	Other Components of Equity		Total		
	Remeasurements of Defined Benefit Plans	Total			
Balance as of January 1, 2025	—	139,277	632,474	22,169	654,643
Comprehensive Income					
Profit (Loss)		—	(40,680)	916	(39,763)
Other Comprehensive Income	15,976	28,357	28,357	931	29,288
Total Comprehensive Income	15,976	28,357	(12,322)	1,847	(10,474)
Transactions with Owners					
Purchase of Treasury Shares		—	(2)		(2)
Disposal of Treasury Shares		—	283		283
Dividends		—	(11,984)	(1,827)	(13,811)
Change in Ownership Interest in Subsidiaries		—	(8,259)	(3,203)	(11,462)
Share-Based Payment Transactions		—	582		582
Transfer to Retained Earnings	(15,976)	(15,984)	—		—
Other		—	(13)	1,526	1,513
Total Transactions with Owners	(15,976)	(15,984)	(19,394)	(3,503)	(22,898)
Balance as of December 31, 2025	—	151,650	600,756	20,513	621,270

Notes to Consolidated Financial Statements

Basis of Presenting Consolidated Financial Statements

1. Standards for the Preparation of Consolidated Financial Statements

The consolidated financial statements of the Company and its subsidiaries (hereinafter the “Group”) are prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) under the provision of Article 120, paragraph (1) of the Regulations on Corporate Accounting. The consolidated financial statements omit part of the disclosures required under IFRS pursuant to the provisions of the second sentence of the first paragraph of Article 120.

2. Scope of Consolidation

Number of consolidated subsidiaries: 64

Principal subsidiaries are listed in 1 Matters Concerning the Shiseido Group 1.2 Outline of the Shiseido Group (3) Major Subsidiaries and Affiliated Companies of the Shiseido Group.

[Exclusion: 7 companies]

Seven companies were excluded from the scope of consolidation effective from the fiscal year following the absorption-type merger of DDG Skincare Holdings LLC and other reasons.

3. Application of the Equity Method

Associates accounted for under the equity method: 3

Major company name: Pierre Fabre Japon Co., Ltd.

4. Notes on Accounting Policies

(1) Basis of consolidation

1) Subsidiaries

Subsidiary refers to an entity controlled by the Group. An entity is deemed to be controlled by the Group when the Group has exposure or rights to variable returns arising from its involvement in the entity and has the ability to influence such returns through its power over the entity.

The financial statements of subsidiaries are included in consolidation from the date the Group obtains control until the date it loses control. Balances of receivables and payables between Group companies and internal transactions, as well as unrealized gains and losses arising from transactions between Group companies, are eliminated in the preparation of the consolidated financial statements.

Partial disposals of interests in subsidiaries are accounted for as equity transactions if control continues. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration is recognized directly in equity as equity attributable to owners of parent.

When control is lost, any gain or loss arising from the loss of control is recognized in profit or loss.

2) Associates

Associate refers to an entity over which the Group does not have control or joint control, despite having significant influence over finance or operating policy of the entity. Generally, when the Group has between 20% and 50% of the voting rights of another entity, the Group is assumed to have significant influence over that entity.

In principle, associates are accounted for by the equity method from the day that the Group assumes significant influence until the day that it loses the significant influence. Investments in associates include goodwill recognized upon acquisition (net of accumulated impairment losses).

Where associates have adopted accounting policies that are different from those adopted by the Group, adjustments are made to the associates' financial statements as needed.

(2) Business combinations

Business combinations are accounted for under the acquisition method. Non-controlling interests are initially measured at fair value or their proportionate share of the acquiree's identifiable net assets at the acquisition date.

If the sum of the fair value of the consideration paid, the amount of non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree at the acquisition date in the case of an acquisition in phases, exceeds the fair value of the identifiable assets and liabilities assumed at the acquisition date, the excess amount is recognized as goodwill in the consolidated statement of financial position. On the other hand, if the total consideration is less than the fair value of the identifiable assets and liabilities assumed, it is recognized immediately in profit or loss in the consolidated statement of profit or loss.

Acquisition-related costs incurred in connection with a business combination are recognized as expenses incurred.

If the initial accounting for the business combination is not completed by the end of the fiscal year in which the business combination occurred, items not completed are accounted for using provisional amounts and the provisional amounts recognized at the acquisition date are adjusted retrospectively for measurement periods within one year of the acquisition date.

(3) Foreign currency translation

1) Foreign currency denominated transactions

Foreign currency transactions are translated into the functional currency of each entity in the Group using the exchange rates at the date of the transactions.

Foreign currency monetary assets and liabilities at the end of the reporting period are translated into the functional currency at the exchange rate at the reporting date.

Translation differences arising from translation or settlement are recognized in profit or loss. However, the translation differences arising from equity financial assets measured at fair value through other comprehensive income and from the hedging instruments of cash flow hedges are recognized in other comprehensive income to the extent that the hedges are effective.

2) Financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen at the exchange rate at the reporting date, and revenues and expenses are translated into Japanese yen at the average exchange rate unless the exchange rate fluctuates significantly. Translation differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income, the accumulated amount of which is recognized as other components of equity. Upon disposal of a subsidiary resulting in loss of control, the entire cumulative amount of translation differences related to the foreign operation is reclassified to profit or loss.

(4) Financial instruments

1) Non-derivative financial assets

(i) Initial recognition and measurement

Financial assets measured at amortized cost are initially recognized on the date they arise. All other financial assets are recognized on the date of becoming a party to the contract for the financial instrument.

Financial assets are classified at initial recognition as follows:

(a) Financial assets measured at amortized cost

Financial assets that meet both of the following conditions are classified as financial assets measured at amortized cost.

- Financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Equity financial assets measured at fair value through other comprehensive income

The Group has elected to present subsequent changes in the fair value of investments in all equity instruments, which are not held for sale, in other comprehensive income at the time of initial recognition.

(c) Debt financial assets measured at fair value through other comprehensive income

Financial assets that meet both of the following conditions are classified as debt financial assets measured at fair value through other comprehensive income:

- Financial assets held in a business model whose objective is achieved by both the collection of contractual cash flows and the sale of financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(d) Financial assets measured at fair value through profit or loss

Financial assets other than the above are classified as financial assets measured at fair value through profit or loss.

In principle, financial assets are measured at fair value plus transaction costs directly attributable to the financial assets. However, for financial assets measured at fair value through profit or loss, transaction costs are recognized in profit or loss as incurred.

In addition, trade receivables that do not contain a significant financing component are measured at transaction price.

(ii) Subsequent measurement

After initial recognition, financial assets are measured based on the classification as follows:

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method, with interest recognized in profit or loss. When necessary, a loss allowance is deducted from the gross carrying amount to which the effective interest method is applied.

(b) Financial assets measured at fair value

For equity financial assets measured at fair value through other comprehensive income, changes in fair value and gains or losses on derecognition are recognized in other comprehensive income. The cumulative amount recognized as other comprehensive income is transferred to retained earnings immediately after recognition in other components of equity. Dividends from such financial assets are recognized in profit or loss for the period as part of finance income, unless such dividends clearly represent a recovery of the cost of the investment.

Changes in the fair value of financial assets measured at fair value, other than those above, are recognized in profit or loss.

(iii) Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Group transfers substantially all the risks and rewards of ownership of the asset to another entity.

(iv) Impairment of financial assets

For impairment losses on financial assets, etc. measured at amortized cost, a loss allowance is recognized for expected credit losses on such assets.

The Group assesses whether the credit risk associated with each financial asset has increased significantly since the initial recognition at each reporting date, and when the credit risk has not increased significantly, the Group recognizes the 12-month expected credit loss as loss allowance.

When the credit risk has increased significantly since the initial recognition, the Group recognizes the amount equal to the lifetime expected credit loss as loss allowance.

For trade and lease receivables that do not contain a significant financial component, the Group always recognizes a loss allowance in an amount equal to the expected credit loss for the entire term, regardless of whether credit risk has increased significantly from the time of initial recognition.

The Group measures expected credit loss by grouping assets with similar credit risk characteristics, considering past credit loss experience, current conditions, and information that is reasonably available and supportable (internal and external credit ratings, etc.). Expected credit loss is measured based on the present value of the difference between all contractual cash flows payable to a company, and all contractual cash flows expected to be received by a company.

Any issuer or debtor is deemed to be in default when the recovery of all or a portion of financial assets to such an issuer or debtor is judged to be impossible or extremely difficult due to condition such as its significant financial difficulty or breach of contract including past due status. In the event of default, it is determined that objective evidence of credit impairment exists and the asset is classified as a credit impaired financial asset.

In addition, if the Group does not have a reasonable expectation of recovering all or a portion of given financial assets, the Group directly reduces the gross carrying amount of financial assets.

The provision for loss allowance on financial assets is recognized as profit or loss. When an event that reduces the loss allowance occurs, a reversal of the loss allowance is recognized as profit or loss.

2) Non-derivative financial liabilities

The Group initially recognizes financial liabilities on the date when they arise, and measures them at amortization cost. At initial recognition, financial liabilities are measured at fair value less transaction costs directly attributable to the issuance of the financial liability. In addition, after initial recognition, they are measured at amortized cost based on the effective interest method.

Financial liabilities are derecognized when they are extinguished, that is, when the obligations specified in the contract are discharged, cancelled or expired.

3) Derivatives and hedge accounting

The Group uses derivatives such as foreign exchange forward contracts and interest rate swaps to hedge foreign exchange risk and interest rate risk. Of these derivatives, derivative instruments that meet requirements for hedge accounting are designated as hedging instruments, and hedge accounting is applied to them.

In applying hedge accounting, the Group formally documents risk management purposes, relationship between the hedging instrument and the hedged item in executing the hedge transaction, and method for assessing effectiveness of the hedging relationship at the inception of the hedge. In

addition, the Group assesses whether the derivative designated as a hedging instrument is effective in offsetting changes in cash flows of the hedged item at the inception of the hedge and on an ongoing basis.

These derivatives are initially recognized at fair value when the contract is entered into, and subsequently remeasured at fair value, and the subsequent fair value changes are accounted for as follows:

(i) Cash flow hedges

Of gains or losses on hedging instruments, the effective portion is recognized in other comprehensive income, and the ineffective portion is recognized immediately in profit or loss in the consolidated statement of profit or loss.

Amounts relating to hedging instruments recognized in other comprehensive income and accumulated in other components of equity are reclassified to profit or loss when a transaction that is the hedged item affects profit or loss. If a hedged forecast transaction gives rise to the recognition of non-financial assets or non-financial liabilities, the amount recognized in other comprehensive income is accounted for as adjustment to the initial carrying amount of the non-financial assets or non-financial liabilities.

(ii) Derivatives not designated as hedges

Changes in the fair value of derivatives are recognized in profit or loss in the consolidated statement of profit or loss.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits withdrawable at any time, and short-term investments that are readily convertible to cash and subject only to insignificant risk of changes in value and that have a maturity of three months or less from the acquisition date.

(6) Inventories

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the amount of the estimated selling price in the ordinary course of business less the estimated costs and estimated selling costs required up to the completion. Cost is calculated based on the weighted-average method, and includes cost of purchase, processing cost, and all expenses required to reach the current place and status.

(7) Property, plant and equipment

Property, plant and equipment are presented at cost less accumulated depreciation and accumulated impairment losses, using the cost model.

Cost includes expenses directly related to acquisition of assets, demolition and removal costs and restoration costs for land, and borrowings costs to be capitalized.

Depreciation of each asset other than land and construction in progress is recognized using the straight-line method over respective estimated useful lives. Estimated useful lives by major asset item are as follows:

Buildings and structures:	2–50 years
Machinery, equipment and vehicles:	2–15 years
Tools, furniture and fixtures:	2–15 years

Estimated useful lives, residual value and depreciation method are reviewed at the end of each fiscal year, and if there is any change, the change is applied prospectively as a change in accounting estimates.

(8) Goodwill

Goodwill is not amortized. Goodwill is allocated to cash-generating units that are expected to benefit from synergies of the business combination, and is tested for impairment in each period, or whenever there is any indication of impairment.

Impairment losses on goodwill are recognized in the consolidated statement of profit or loss, and no subsequent reversal is made.

In addition, goodwill is presented at cost less accumulated impairment losses in the consolidated statement of financial position.

(9) Intangible assets

Intangible assets are presented at cost less accumulated amortization and accumulated impairment losses, using the cost model.

Individually acquired intangible assets are measured at cost at initial recognition. Intangible assets acquired through business combinations are recognized separately from goodwill at initial recognition, and measured at fair value on the date of obtaining control.

Internally generated research-related costs are recognized as expenses when they arise. Internally generated development costs are recognized as assets only if all the requirements for being recognized as assets are met. When research-related costs and development costs are not clearly distinguishable, they are recognized as expenses, as research-related costs, when they arise.

Acquisition of software for internal use and its development costs are recognized as intangible assets when future economic benefits are expected to flow to the Group.

Intangible assets with definite useful lives are amortized using the straight-line method over respective estimated useful lives after initial recognition. Estimated useful lives of major intangible assets are as follows:

Software:	5–15 years
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Intangible assets with indefinite useful lives and intangible assets that are not yet available for use are not amortized. Such intangible assets are tested for impairment individually or at the level of each cash-generating unit in each period and whenever there is any indication of impairment.

Estimated useful lives, residual value and amortization method are reviewed at the end of each fiscal year, and if there is any change, the change is applied prospectively as a change in accounting estimates.

(10) Leases

The Group assesses whether a contract is a lease or contains a lease, at the inception of the contract. If the contract transfers the right to control the use of an identified asset over a certain period of time in exchange for consideration, the contract is judged to be a lease or contain a lease.

(i) Lessee

In leases as a lessee, right-of-use assets and lease liabilities are recognized at the commencement date of the lease. The amount of initial measurement of right-of-use assets is the amount of initial measurement of the lease liability adjusted for lease payments that were paid at or before the commencement date. Lease liabilities are initially measured at the present value of lease payments that have not been paid as at the commencement date, discounted using the interest rate implicit in the lease. When the interest rate implicit in the lease cannot be calculated easily, the Group's incremental borrowing rate of interest is used.

After initial recognition, right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the right-of-use assets

and the end of the lease term. Estimated useful lives of right-of-use assets are determined in the same manner as the Group's own property, plant and equipment. Lease liabilities are measured at amortized cost based on the effective interest method. Lease payments are allocated to interest expenses and repayments of lease liabilities based on the effective interest method. Interest expenses are included in "Finance costs" in the consolidated statement of profit or loss.

The Group has chosen not to recognize right-of-use assets and lease liabilities for leases with the lease term of 12 months or less or leases of low-value assets. The Group recognizes lease payments for these leases as expenses over the lease term using either the straight-line method or any other systematic basis. In addition, as a practical expedient, the Group has chosen to account for a lease component and related non-lease components as a single lease component without separating non-lease components from lease components.

(ii) Lessor

When the Group is a lessor in leases, each lease is classified as finance lease or operating lease at the time of entering into a lease contract. In classifying each lease, the Group comprehensively assesses whether or not all risks and rewards incidental to ownership of the underlying asset are transferred. Leases are classified as finance leases if such risks and rewards are transferred, and otherwise as operating leases.

When the Group is an intermediate lessor, head leases and sub leases are accounted for separately. The classification of sub leases is determined by reference to right-of-use assets generated from head leases, rather than underlying assets.

Lease payments in operating lease transactions are recognized as income using the straight-line method over the lease term, and included in "Other operating income" in the consolidated statement of profit or loss.

(11) Impairment of non-financial assets

For carrying amounts of non-financial assets of the Group other than inventories and deferred tax assets, it is determined at the end of fiscal year whether there is any indication of impairment. If there is an indication of impairment, the recoverable amount of the relevant asset is estimated. For goodwill and intangible assets with indefinite useful lives or those which are not yet available for use, the recoverable amount is estimated at the same time each year, regardless of any indication of impairment.

The recoverable amount of assets or cash-generating units is the higher of value in use or fair value less costs of disposal. In the calculation of value in use, estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects time value of money and risks inherent in the asset. Assets that are not tested individually for impairment are aggregated to the smallest cash-generating unit which generates cash inflows from continuing use that are largely independent of cash inflows from other assets or asset groups. When goodwill is tested for impairment, cash-generating units to which the goodwill is allocated are aggregated so that the level at which impairment is tested reflects the lowest level to which the goodwill relates. Goodwill acquired through business combinations is allocated to the cash-generating unit expected to benefit from synergies of the combinations.

Impairment losses are recognized in profit or loss if the carrying amount of assets or cash-generating units exceeds the estimated recoverable amount. Impairment losses recognized in relation to a cash-generating unit are first allocated to reduce the carrying amount of the goodwill allocated to the unit, and then to reduce the carrying amount of other assets in the cash-generating unit on a pro rata basis.

Previously recognized impairment losses, except for goodwill, are assessed at the end of fiscal year for whether or not there is any indication that the loss no longer exists or decreased, and reversed up to the carrying amount after deducting necessary depreciation and amortization that would have been determined in the case where the impairment losses had not been recognized.

(12) Employee benefits

The Group adopts defined benefit pension plans and defined contribution pension plans as post-employment benefits for employees.

The Group determines the present value of defined benefit obligations and related current service cost and past service cost using the projected unit credit method.

The discount rate is determined by reference to market yields on high-quality corporate bonds at the end of the reporting period corresponding to the discount period, which is established to reflect the period until the estimated timing of benefit payments in each fiscal year in the future.

Liabilities or assets pertaining to defined benefit pension plans are calculated by deducting the fair value of plan assets from the present value of defined benefit obligations.

Remeasurements of defined benefit pension plans are collectively recognized in other comprehensive income for the period when they are incurred, and the cumulative amount is immediately transferred from other components of equity to retained earnings.

Past service cost is recognized in profit or loss for the period when it is incurred.

Expenses relating to defined contribution retirement benefits are recognized as expenses in the period when employees render services.

(13) Share-based payments

The Group has adopted a share option plan as equity-settled share-based compensation plan, and a performance share unit plan as equity-settled and cash-settled performance-linked share remuneration plan.

Share options are estimated based on fair value on the grant date, and recognized as expenses in the consolidated statement of profit or loss over the vesting period with consideration of the number of share options expected to eventually vest, and the same amount is recognized as an increase in equity in the consolidated statement of financial position. Fair value of granted options is calculated using the Hull-White modified binomial model with consideration of various conditions of the options. In addition, the conditions are reviewed regularly, and the estimate of the number of share options vested is revised, as necessary.

Of the performance share unit plan, the portion that falls under the category of equity-settled payment transactions is measured by reference to fair value of the Company's shares granted and recognized as expenses over the vesting period, and the same amount is recognized as an increase in equity. On the other hand, for the portion that falls under the category of cash-settled payment transactions, services received are measured at fair value of liabilities arising and recognized as expenses over the vesting period, and the same amount is recognized as an increase in liabilities. The fair value of these liabilities is remeasured on the reporting date and the settlement date, and any change in the fair value is recognized in profit or loss.

(14) Provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligations, and the amount of the obligations can be estimated reliably. When time value of money is material, estimated future cash flows are discounted to the present value using a pre-tax interest rate that reflects time value of money and risks inherent in the liabilities. Unwinding of the discount over time is recognized as finance costs.

(15) Revenue

The Group is engaged in manufacturing and sales of cosmetics such as skin-care products, makeup products and fragrances, and in restaurant and hair salon businesses. As for sales of products, because customers obtain control of the product at the time of delivery of the product, etc., revenue is

recognized at the time of delivery of the product, etc. In addition, revenue is measured at an amount of consideration promised in the contract with the customer less discounts, rebates, sales returns and others. The consideration expected to be refunded to customers is recorded as refund liabilities in “Trade and other payables” in the consolidated statement of financial position. Variable consideration is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative amount of revenue recognized will not occur, when uncertainty associated with the variable consideration is subsequently resolved.

The consideration in contracts with customers does not contain a significant financing component.

The Group offers a point program to customers according to sales of products under which customers can make payments using the points at the time of purchase of products in the future, and the Group identifies the portion of points expected to be exercised by customers in the future as performance obligations in the point program. Transaction prices are allocated to these performance obligations based on the ratio of stand-alone selling prices, which are consideration promised in the contract with the customer less discounts, rebates, sales returns and others. The amount allocated to performance obligations in the point program is deferred as contract liabilities and included in “Other current liabilities” in the consolidated statement of financial position, and revenue is recognized according to the use of points with consideration of the forfeit rate.

(16) Governmental subsidies

Governmental subsidies are recognized at fair value when incidental conditions for grant of subsidies are satisfied, and reasonable assurance that the subsidies will be received is obtained.

If governmental subsidies relate to an expense item, they are recognized as revenue on a systematic basis over the period in which related costs that are intended to be covered by the subsidiaries are recognized as expenses. Subsidies related to assets are recognized as deferred revenue, and recognized in profit or loss on a systematic basis over useful lives of the related assets.

(17) Income taxes

Income tax expenses consist of current taxes and deferred taxes. They are recognized in profit or loss, unless they arise from items recognized directly in other comprehensive income or equity, and from business combinations.

Current taxes are measured at an amount expected to be paid to or refunded from tax authorities. Tax rates and tax law used in the calculation of the tax amount are those which have been enacted or substantially enacted by the period-end.

Deferred taxes are recognized for temporary differences, which are differences between tax base of assets and liabilities and their carrying amount at period-end, unused tax losses and unused tax credits.

For the following temporary differences: deferred tax assets and liabilities are not recognized.

- Taxable temporary differences arising from initial recognition of goodwill
- Temporary differences arising from initial recognition of assets and liabilities generated from transactions that affect neither accounting profit nor taxable income for tax purposes (tax loss) at the time of the transaction, and that do not give rise to an equal amount of taxable temporary differences and deductible temporary differences, except for business combination transactions
- As for deductible temporary differences related to investments in subsidiaries and associates, cases where it is probable that the temporary difference will not be reversed in the foreseeable future, or where it is less likely that taxable income will be earned against which the temporary difference will be used
- As for taxable temporary differences related to investments in subsidiaries and associates, cases where the timing of the reversal of temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future

Deferred tax liabilities are recognized for all taxable temporary differences in principle, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits will be used.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that are expected to be applied during the period in which the assets will be realized or the liabilities will be settled based on tax rates and tax laws which have been enacted or substantially enacted by the period-end.

Deferred tax assets and liabilities are offset when the legally enforceable right to set off current tax assets against current tax liabilities is possessed, and taxes are levied by the same taxation authority on the same taxable entity.

The Group has applied a temporary exception under the amendments to IAS 12 “Income Taxes,” and the Group does not recognize nor disclose information about deferred tax assets and liabilities related to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Co-operation and Development (OECD).

(18) Earnings per share

Basic earnings per share are calculated by dividing profit or loss attributable to common shareholders of the parent company by the weighted-average number of ordinary shares issued, which is adjusted for treasury shares during the period.

(19) Non-current assets held for sale

When the carrying amount of non-current assets (or disposal groups) is recovered principally through a sale transaction rather than continuing use, the non-current assets (or disposal groups) are classified as held for sale. To be classified as held for sale, assets are subject to the condition that the sale is highly probable and the asset is available for immediate sale in its present state, and are classified as held for sale only if the management of the Group is committed to implementation of a plan to sell the asset and the sale is expected to be completed within one year.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the carrying amount or fair value less costs to sell, and they are not depreciated or amortized after being classified as held for sale.

(20) Equity and other equity items

(i) Ordinary share

Ordinary share is recognized at issuance value in share capital and capital surplus. In addition, share issuing expenses are deducted from issuance value.

(ii) Treasury shares

Treasury shares are valued at acquisition cost and deducted from equity. In purchase, sale or cancellation of treasury shares of the Company, gains or losses are not recognized. A difference between the carrying amount and consideration at the time of sale is recognized as equity.

(iii) Dividends

Of dividends paid to shareholders of the Company, a year-end dividend is recognized as a liability in the period in which the day when it was resolved at the Company’s General Meeting of Shareholders falls, and an interim dividend is recognized as a liability in the period in which the day when it was resolved by the Board of Directors falls.

(21) Other significant accounting policies for preparation of the consolidated financial statements

Application of the group tax sharing system

The Company and certain domestic consolidated subsidiaries have applied the group tax sharing system.

Notes to Accounting Estimates

The preparation of the Group's consolidated financial statements under IFRS requires management to adopt the accounting policies, to make judgements, estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The estimates and the underlying assumptions are continuously reviewed. The impact of the revision of the estimates will be recognized in the accounting period in which the estimates are revised and the future accounting periods.

The items which may significantly affect the consolidated financial statements for the following fiscal year, are as follows:

Valuation of Goodwill related to each cash-generating unit

(1) Main carrying amounts of the goodwill allocated to each operating segment cash-generating unit

The main carrying amounts of goodwill allocated to each cash-generating unit are as follows. The Group has identified a significant estimate risk for the valuation of goodwill related to each cash-generating unit.

Cash-generating unit	Amounts (Millions of yen)
Americas Business	9,733
EMEA Business	13,256
China Business	10,402
Travel Retail Business	9,702

Note: The amount shown for the Americas Business is after recording impairment losses.

(2) Other information on the details of accounting estimates that contributes to the understanding of users of consolidated financial statements

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

In principle, each operating segment is defined as a cash-generating unit (Note), and the recoverable amount of each cash-generating unit is determined as 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 of 2.5% to 8.5%, 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 of 1.4% to 2.2% determined by taking into account the conditions in the country and industry to which the cash-generating unit belongs. The discount rate used is 10.4% to 12.9%, which incorporates the risk-free rate of each country added to a risk premium.

Management believes that the estimated value in use for the test is reasonable; however, changes in unforeseeable future business assumptions may alter the estimates, potentially leading to a decrease in recoverable amount and the occurrence of impairment losses.

Note: The cash-generating units for the "China & Travel Retail Business" are defined as "China business Cash-Generating Unit" and "Travel Retail business Cash-Generating Unit," as the smallest units that generate

cash inflows that are largely independent.

In Americas Business, as there was an indication of impairment due to decline of its profitability during the period, we have conducted the impairment test in the fiscal year ended December 31, 2025. As a result of the impairment test conducted as described above, since the recoverable amount is less than the carrying amount, impairment losses of ¥46,818 million has been recorded. The impairment losses recognized are included in “Impairment of goodwill” in the Consolidated Statement of Profit or Loss.

The key assumptions used in the calculation of the recoverable amount of the Americas Business cash-generating unit are a discount rate of 12.1%, a medium-term growth rate of 4.9% to 5.0%, and a long-term market growth rate of 2.2%. After recognizing the impairment losses, the recoverable amount equaled the carrying amount. Therefore, if the key assumptions deteriorate, further impairment will occur.

For other cash-generating units, the annual impairment test results indicate that the recoverable amounts are well above the carrying amounts, and even if the key assumptions used in the impairment test change within a reasonably foreseeable range, it is considered unlikely that the recoverable amounts would be less than the carrying amounts.

Notes to Consolidated Statement of Financial Position

(1) Inventories

Merchandise and finished goods	¥93,724 million
Work in process	¥7,761 million
Raw materials and supplies	¥45,650 million

(2) Accumulated depreciation of property, plant and equipment ¥313,714 million

(3) Accumulated amortization of intangible assets ¥68,014 million

(4) Accumulated depreciation of right-of-use assets ¥72,942 million

(5) Loss allowance directly deducted from the amount of assets

Trade and other receivables	¥5,838 million
Other financial assets	¥14,147 million

Notes to Consolidated Statement of Profit or Loss

(1) Other operating income and operating expenses

The breakdown of other operating income is as follows:

	Millions of yen
Rental income	572
Government grant income	2,239
Gain on sale of non-current assets	495
Reversal of impairment losses	241
Other	1,320
Total	4,869

The breakdown of other operating expenses is as follows:

	Millions of yen
Structural reform expenses	2,575
Other	1,708
Total	4,284

Notes to Consolidated Statement of Changes in Equity

(1) Shares issued (including treasury shares)

Class and number of shares issued (including treasury shares) as of December 31, 2025

Ordinary share 400,000 thousand shares

(2) Dividends

1) Cash dividends paid

Resolution	Share Class	Cash Dividends Paid (Millions of yen)	Cash Dividends per Share (Yen)	Record Date	Effective Date
Annual General Meeting of Shareholders on March 26, 2025	Ordinary share	3,994	10.00	December 31, 2024	March 27, 2025
Board of Directors Meeting on August 6, 2025	Ordinary share	7,990	20.00	June 30, 2025	September 4, 2025
Total		11,984			

- 2) Dividends on ordinary shares with a record date in the current fiscal year but with an effective date after the end of the fiscal year

The following matters will be placed on the agenda at the Annual General Meeting of Shareholders scheduled to be held on March 25, 2026.

Cash dividends to be paid:	¥7,990 million
Cash dividends per share:	¥20
Record date:	December 31, 2025
Effective date:	March 26, 2026
Funding source:	Retained earnings

- (3) Class and number of share acquisition rights outstanding at fiscal year-end, excluding those for which the exercisable period has not commenced

Ordinary share	162 thousand shares
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Financial Instruments

1. Financial Instruments

(1) Financial risk management

The Group is exposed to financial risks (credit risk, liquidity risk, and market risk) in the course of its business activities. To mitigate such financial risks, the Group conducts risk management in accordance with certain policies. The Group limits its investment to short-term deposits and securities, and other similar instruments, and has a policy to use bank borrowings, commercial papers, bonds, and other instruments to procure funds. The Group uses derivatives to avoid the risk of foreign exchange fluctuations of foreign currency-denominated receivables and payables and the risk of fluctuation of borrowing interest rates. The Group limits the use of derivatives to the extent of the balance of receivables and payables and actual demand, and does not engage in speculative transactions. The Group executes and manages derivatives in accordance with the internal rules and regulations that prescribe transaction authority.

1) Credit risk management

Credit risk is the risk that a counterparty to a financial asset held by the Group will default on its contractual obligations, resulting in a financial loss to the Group. Credit risk arises principally from the Group's receivables from customers, loans receivable, and derivatives.

The Group manages due dates and outstanding balances for each counterparty and periodically monitors the credit status of major counterparties. The Group does not have any credit risk overly concentrated in a specific counterparty or a group to which such counterparty belongs.

To mitigate counterparty risk associated with the use of derivatives, the Group enters into derivatives only with highly creditworthy financial institutions and other such counterparties.

The carrying amount of impaired financial assets presented in the consolidated financial statements represents the maximum exposure of the Group's financial assets to credit risk, without taking into account the assessed value of collateral obtained.

2) Liquidity risk management

Liquidity risk is the risk that the Group is unable to perform the repayment obligations of financial liabilities on their due dates.

The Group strives to generate stable operating cash flows and secure a wide range of financing sources, while always seeking to appropriately secure adequate funds for its business activities, maintain liquidity, and achieve a sound financial condition. The Group limits its investments to short-term deposits and securities, and other similar instruments.

The Group manages its liquidity risk mainly by preparing and updating a cash management plan on a monthly basis.

3) Market risk management

The Group is exposed to risks associated with market fluctuations such as foreign exchange fluctuations and interest rate fluctuations in the course of its business activities. To appropriately manage these market risks, the Group may use derivatives, including foreign exchange forward contracts, currency swap contracts, and interest rate swap contracts. The Group executes and manages derivatives in accordance with the internal rules and regulations that prescribe transaction authority. The Group does not use derivatives for speculative purposes. Therefore, changes in the fair value of derivatives held by the Company generally have the effect of offsetting changes in the fair value or cash flows of the corresponding transactions.

(i) Foreign exchange risk

The Group is engaged in business on a global scale and therefore is exposed to the risk of foreign exchange fluctuations of foreign currency-denominated receivables and payables mainly arising from foreign currency transactions. The risk of foreign exchange fluctuations associated with foreign currency transactions is hedged using derivatives (foreign exchange forward contracts and foreign currency options) to mitigate its impact on operating results.

(ii) Interest rate risk management

The Group is exposed to various interest rate fluctuation risks in its business activities. Among interest-bearing debts, short-term borrowings and commercial papers are primarily used to procure funds for operating transactions, whereas long-term borrowings, bonds, and lease liabilities are primarily used to procure funds for investments and loans, capital expenditures, and operating transactions. Since floating-rate borrowings are exposed to interest rate fluctuation risk, the Group hedges interest rate fluctuation risk by using derivatives instruments such as interest rate swaps for each individual contract, as necessary. Therefore, exposure to the interest rate fluctuation risk of the Group is limited, and the impact on the interest rate fluctuation is determined to be immaterial.

2. Fair Value of Financial Instruments

(1) Carrying amount and fair value of financial instruments

The carrying amounts and fair values as of December 31, 2025 are as follows. Financial instruments measured at fair value and financial instruments measured at amortized cost whose carrying amount and fair value closely approximate are not included in the following table.

(Millions of yen)		
	Carrying amount	Fair value
Assets:		
Financial assets measured at amortized cost		
Other financial assets (non-current)		
Leasehold and guarantee deposits	22,221	13,086
Long-term loans receivable	47,822	33,102

Note: Leasehold and guarantee deposits are classified as level 2 in the fair value hierarchy.
Long-term loans receivable are classified as level 3 in the fair value hierarchy.

(2) Method of calculating fair value of financial instruments

(Cash and cash equivalents, trade and other receivables, trade and other payables)

The carrying amount is used for the fair value of these short-term items because these amounts are approximately the same.

(Other financial assets and other financial liabilities)

Among financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss, listed shares are calculated using the market price on the last day of the period. Unlisted shares and investments in capital are calculated using the discounted cash flow method, etc.

Other financial assets measured at amortized cost are mainly long-term loans receivable and leasehold and guarantee deposits. Other financial liabilities measured at amortized cost are mainly long-term payables. Long-term loans receivable are measured using the option pricing model with equity volatility, risk free rates, etc. as inputs. Leasehold and guarantee deposits, and long-term payables are calculated at present value by discounting future cash flows using current market interest rates, etc. The fair value of financial assets and financial liabilities measured at amortized cost that have short settlement periods is measured at the carrying amount as their fair value approximates their carrying amount.

Of the derivatives that are either financial assets or financial liabilities measured at fair value through profit or loss, foreign exchange forward contracts and interest rate swap contracts are measured based on forward foreign exchange rates provided by counterparty financial institutions or interest rates of interest rate swap contracts, etc. at the end of the accounting period.

(Bonds and borrowings)

The fair value of short-term borrowings is measured at their carrying amount as their fair value approximates their carrying amount because of their short settlement periods.

The fair value of long-term borrowings with floating interest rates is measured at their carrying amount as their fair value reflects the market interest rates within a short period of time and therefore approximates their carrying amount.

The fair value of long-term borrowings with fixed interest rates is measured at the present value of future cash flows discounted at an interest rate assumed to be applied if similar contracts were newly executed.

The fair value of bonds is measured based on quoted market prices, etc.

3. Matters related to the breakdown, etc. of the fair value of financial instruments by appropriate category

Financial instruments measured at fair value are classified into the following three levels according to the observability and materiality of inputs used to measure such financial instruments.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Fair value measured by directly or indirectly using observable prices, other than level 1 prices
- Level 3: Fair value measured using valuation techniques that incorporate unobservable inputs

	Level 1	Level 2	Level 3	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Assets:				
Financial assets measured at fair value through profit or loss				
Other financial assets				
Derivatives	—	333	—	333
Investments in capital	—	—	4,715	4,715
Other	91	—	3,785	3,876
Financial assets measured at fair value through other comprehensive income				
Other financial assets				
Shares and investments in capital	3,387	68	5,130	8,586
Total	3,478	402	13,631	17,512
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Other financial liabilities				
Derivatives	—	703	—	703
Total	—	703	—	703

Transfers between levels of the fair value hierarchy were recognized on the date the event or change in circumstances giving rise to the transfer occurred. No transfer was made between level 1 and level 2 of the fair value hierarchy in the previous and current fiscal years.

Per-Share Information

Equity attributable to owners of parent per share	¥1,503.64
Basic loss per share	¥(101.83)

Notes to Revenue Recognition

(1) Disaggregation of revenue

The net sales of the Group consist mainly of revenue recognized from contracts with customers, and a breakdown by segment, mainly by region, is as follows.

(Millions of yen)

	Japan Business	China & Travel Retail Business	Asia Pacific Business	Americas Business	EMEA Business
Revenue recognized from contracts with customers	295,343	342,244	73,290	106,584	141,129

	Other	Total
Revenue recognized from contracts with customers	11,399	969,992

Notes:

1. The amounts indicate the net sales to external customers.
2. The reportable segment changed from the previous “China Business” and the “Travel Retail Business” to the “China & Travel Retail Business” from the current fiscal year.
3. The EMEA Business includes the Middle East and Africa regions.
4. The Other segment includes the restaurant business, etc.

(2) Contract balances

A breakdown of the contract balances in the Shiseido Group is as follows.

Receivables from contracts with customers	
Notes and accounts receivable	¥162,708 million
Contract liabilities	¥7,372 million

Contract liabilities mainly consist of advances received in connection with customer loyalty programs that award points to customers.

In the consolidated statement of financial position, notes and accounts receivable are included in “Trade and Other Receivables” and contract liabilities are included in “Other Current Liabilities.”

The balance of contract liabilities as of the beginning of the current fiscal year has been recognized as revenue for the current fiscal year, respectively.

The amount of revenue recognized from performance obligations satisfied in prior periods was immaterial in the current fiscal year.

(3) Transaction price allocated to remaining performance obligations

As the Group has no significant transactions for which the individual expected contract period exceeds one year, it has applied the practical expedient and omitted the presentation of information on remaining performance obligations. In addition, considerations arising from contracts with customers do not include any significant amounts that are not included in transaction prices.

(4) Assets recognized from the costs to obtain or fulfil contracts with a customer

The amounts of assets recognized from costs to obtain or fulfill contracts with customers were immaterial in the current fiscal year. If the amortization period of an asset to be recognized is one year or less, the Group applies the practical expedient and recognizes the incremental costs of obtaining a contract as an expense as incurred.

Significant Subsequent Events

Not applicable.

Other

The amounts presented have been rounded down to the nearest million yen.

Non-Consolidated Balance Sheet

(As of December 31, 2025)

(Millions of yen)

	December 31, 2025	December 31, 2024 (Reference)
ASSETS		
Current Assets:	232,586	204,674
Cash and Deposits	8,255	10,803
Accounts Receivable	98,665	80,004
Merchandise and Finished Goods	9,447	10,176
Work in Process	4,513	5,136
Raw Materials and Supplies	17,454	19,051
Prepaid Expenses	6,759	5,638
Short-Term Loans Receivable	544	734
Other Accounts Receivable	13,112	14,653
Deposits Paid to Subsidiaries and Affiliates	67,815	49,952
Other Current Assets	6,266	9,005
Less: Allowance for Doubtful Accounts	(250)	(482)
Non-current Assets:	546,782	731,565
Property, Plant and Equipment:	202,467	209,833
Buildings	97,438	102,681
Structures	3,177	3,530
Machinery and Equipment	55,078	53,866
Vehicles	131	99
Tools, Furniture and Fixtures	8,526	9,096
Land	35,033	34,889
Leased Assets	1,325	1,927
Construction in Progress	1,755	3,742
Intangible Assets:	58,429	61,145
Patent Rights	6	8
Telephone Rights	97	97
Software	57,025	48,734
Software in Progress	1,089	11,864
Leased Assets	16	28
Other Intangible Assets	194	410
Investments and Other Assets:	285,885	460,586
Investment Securities	3,714	3,222
Shares of Subsidiaries and Associates	218,773	388,730
Investments in Other Securities of Subsidiaries and Associates	27,150	27,150
Investments in Capital	78	110
Investments in Capital of Subsidiaries and Associates	13,164	13,164
Long-Term Loans Receivable	734	544
Long-Term Prepaid Expenses	249	903
Deferred Tax Assets	17,436	21,392
Other Investments	4,967	5,367
Less: Allowance for Doubtful Accounts	(385)	—
TOTAL ASSETS	779,368	936,240

	December 31, 2025	December 31, 2024 (Reference)
LIABILITIES		
Current Liabilities:	211,805	291,625
Electronically Recorded Obligations-Operating	15,256	21,944
Accounts Payable	7,668	8,183
Short-Term Borrowings	30,000	62,000
Current Portion of Long-Term Borrowings	—	5,000
Current Portion of Bonds Payable	—	40,000
Lease Liabilities	871	1,038
Other Payables	19,080	24,367
Accrued Expenses	2,180	2,079
Income Taxes Payable	514	657
Deposits Received	506	1,215
Deposits Received from Subsidiaries and Affiliates	111,214	105,760
Provision for Bonuses	6,418	3,919
Provision for Bonuses for Directors (and Other Officers)	150	147
Provision for Structural Reforms	2,024	—
Other Current Liabilities	15,920	15,309
Non-current Liabilities:	183,846	136,252
Bonds	35,000	35,000
Long-Term Debt	146,000	96,000
Lease Liabilities	502	954
Provision for Retirement Benefits	121	2,128
Provision for Loss on Guarantees	350	350
Asset Retirement Obligation	390	387
Other Non-current Liabilities	1,482	1,432
Total Liabilities	395,652	427,877
NET ASSETS		
Shareholders' Equity:	382,217	507,126
Share Capital	64,506	64,506
Capital Surplus	70,258	70,258
Legal Capital Surplus	70,258	70,258
Retained Earnings	249,320	374,687
Legal Reserve	16,230	16,230
Other Retained Earnings	233,090	358,456
Reserve for Tax Purpose Reduction Entry of Non-current Assets	4,906	4,850
Retained Earnings Brought Forward	228,183	353,606
Less: Treasury Shares	(1,868)	(2,325)
Valuation, Translation Adjustments and Others:	917	588
Valuation Difference on Available-for-Sale Securities	917	588
Stock Acquisition Rights	581	647
Total Net Assets	383,716	508,363
TOTAL LIABILITIES AND NET ASSETS	779,368	936,240

Non-Consolidated Statement of Income

(Fiscal Year from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Fiscal Year 2025	Fiscal Year 2024 (Reference)
Net Sales	254,754	245,678
Cost of Sales	134,358	139,880
Gross Profit	120,396	105,797
Selling, General and Administrative Expenses	107,593	108,393
Operating Profit (Loss)	12,802	(2,595)
Non-operating Income	70,055	25,303
Interest Income	2,373	2,510
Dividend Income	63,070	16,342
Foreign Exchange Gains	—	654
Gain on Investments in Investment Partnerships	1,654	1,649
Royalty Income	905	1,107
Other	2,051	3,038
Non-operating Expenses	6,095	4,675
Interest Expense	3,770	3,762
Interest Expenses on Bonds	215	141
Loss on Investments in Investment Partnerships	322	361
Provision of Allowance for Doubtful Accounts	153	286
Foreign Exchange Losses	1,391	—
Other	243	122
Ordinary Profit	76,763	18,032
Extraordinary Income	687	12,825
Gain on Sale of Non-current Assets	9	65
Gain on Sale of Investment Securities	—	0
Gain on Liquidation of Subsidiaries and Affiliates	471	—
Gain on Sale of Shares of Subsidiaries and Associates	—	12,755
Gain on Extinguishment of Tie-in Shares	205	—
Gain on Cancellation of Leases	—	3
Extraordinary Losses	188,214	4,092
Loss on Disposal of Non-current Assets	3,844	633
Impairment Losses	183	136
Structural Reform Expenses	2,851	1,822
Loss on Valuation of Shares of Subsidiaries and Associates	181,329	1,500
Loss on Sales of Investment Securities	5	—
Loss on Cancellation of Leases	0	—
Profit (Loss) before Income Taxes	(110,764)	26,765
Income Taxes – Current	(1,495)	905
Income Taxes – Deferred	3,765	4,336
Net Profit (Loss)	(113,034)	21,523

Non-Consolidated Statement of Changes in Net Assets

(Fiscal Year from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Shareholders' Equity		
	Share Capital	Capital Surplus	
		Legal Capital Surplus	Total Capital Surplus
Balance at the Beginning of Period	64,506	70,258	70,258
Changes during Period			
Dividends of Surplus			
Net Loss			
Provision of Reserve for Tax Purpose Reduction Entry			
Purchase of Treasury Shares			
Disposal of Treasury Shares			
Other			
Net Changes of Items Other than Shareholders' Equity			
Total Changes during Period	—	—	—
Balance at the End of Period	64,506	70,258	70,258

(Millions of yen)

	Shareholders' Equity					
	Retained Earnings				Treasury Shares	Total Shareholders' Equity
	Legal Retained Earnings	Other Retained Earnings		Total Retained Earnings		
		Reserve for Tax Purpose Reduction Entry of Non-current Assets	Retained Earnings Brought Forward			
Balance at the Beginning of Period	16,230	4,850	353,606	374,687	(2,325)	507,126
Changes during Period						
Dividends of Surplus			(11,984)	(11,984)		(11,984)
Net Loss			(113,034)	(113,034)		(113,034)
Provision of Reserve for Tax Purpose Reduction Entry		55	(55)			—
Purchase of Treasury Shares					(2)	(2)
Disposal of Treasury Shares			(176)	(176)	459	283
Other			(171)	(171)		(171)
Net Changes of Items Other than Shareholders' Equity						
Total Changes during Period	—	55	(125,422)	(125,366)	457	(124,909)
Balance at the End of Period	16,230	4,906	228,183	249,320	(1,868)	382,217

(Millions of yen)

	Valuation Difference on Available-for-Sale Securities		Share Acquisition Rights	Total Net Assets
	Valuation Difference on Available-for-Sale Securities	Total Valuation and Translation Adjustments and Others		
Balance at the Beginning of Period	588	588	647	508,363
Changes during Period				
Dividends of Surplus				(11,984)
Net Loss				(113,034)
Provision of Reserve for Tax Purpose Reduction Entry				—
Purchase of Treasury Shares				(2)
Disposal of Treasury Shares				283
Other				(171)
Net Changes of Items Other than Shareholders' Equity	328	328	(66)	262
Total Changes during Period	328	328	(66)	(124,646)
Balance at the End of Period	917	917	581	383,716

Notes to Non-Consolidated Financial Statements

The amounts presented have been rounded down to the nearest million yen.

Significant Accounting Policies

(1) Valuation of Assets

1) Securities

Shares of subsidiaries and associates: Valued at cost, based on the moving-average method.

Available-for-sale securities

Other than non-marketable equity securities:

Market value method (Unrealized gains and losses are included directly in net assets, and the cost of securities sold is determined primarily by the moving-average method.)

Securities that have the same characteristics as deposits are valued at cost determined by the moving-average method.

Non-marketable equity securities:

Cost method determined by the moving-average method

However, investments in limited liability investment partnerships, etc. are recorded as securities at the amount equivalent to the Company's interest in the assets of the partnerships, etc., and the Company's interest in the profits or losses earned by the partnerships, etc. from operations is recognized in profit or loss.

2) Inventories

Inventories are valued at cost, determined by the weighted-average method. (The carrying amount in the balance sheet is calculated with consideration of write-downs due to decreased profitability.)

(2) Depreciation of Non-current Assets

1) Property, Plant and Equipment (Excluding Leased Assets)

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings:	2–50 years
Structures:	7–50 years
Machinery and equipment:	2–15 years
Vehicles:	3–7 years
Tools, furniture and fixtures:	2–15 years

2) Intangible Assets (Excluding Leased Assets)

Intangible assets are amortized using the straight-line method over the following estimated useful lives:

Software:	5–15 years
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3) Leased Assets

Leased assets associated with finance lease transactions that do not transfer ownership are depreciated using the straight-line method over the period of the lease, with zero residual value.

4) Long-Term Prepaid Expenses

Long-term prepaid expenses are amortized using the straight-line method.

(3) Provisions

1) Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts based on historical loss ratios as compared to the balance of total receivables for the general receivables and the estimate on an individual basis for the doubtful receivables.

2) Provision for Bonuses

The Company provides accrued bonuses for employees based on the estimated amounts to be paid for the fiscal year. This provision includes bonuses for executive officers who are non-corporate executive officers, for whom the calculations are the same as those for provision for bonuses for directors (and other officers).

3) Provision for Bonuses for Directors (and Other Officers)

The Company provides accrued bonuses for corporate executive officers who concurrently serve as Executive Officers based on the estimated amounts to be paid for the fiscal year.

4) Provision for Structural Reforms

The Company provides accrued expenses (losses) related to structural reforms based on the amount of losses expected to be incurred in the future.

5) Provision for Retirement Benefits

The Company has an obligation to pay retirement benefits to the employees, therefore the Company provides accrued retirement benefits based on the estimated amount of projected benefit obligation and the fair value of plan assets at the end of the fiscal year.

In calculating the benefit obligation, the benefit formula basis is adopted for the purpose of attributing estimated retirement benefits to the period up to the end of the current fiscal year.

Past service cost is amortized by the straight-line method over a fixed number of years (10 years) within the average remaining years of service of the eligible employees.

Actuarial gain or loss is amortized from the following year on a straight-line basis over a fixed number of years (10 years) within the average remaining years of service of the eligible employees.

6) Allowance for Losses on Guarantees

The Company provides an allowance for estimated probable losses on guarantees based on the financial status of the parties for which guarantees have been provided.

(4) Significant Hedge Accounting

Methods of Hedge Accounting

Deferred hedge accounting is applied. With regard to interest and currency swaps that meet the requirements for special accounting treatment (“tokurei-shori,” exceptional accounting, and “furiate-shori”), special accounting treatment is employed.

(5) Recognition of Revenues and Expenses

The Company is primarily engaged in the manufacture and sale of cosmetics and related products. For the sale of goods, revenue is recognized at the time of transfer, etc. of the goods and services since the customer acquires control over them at the time they are transferred. Furthermore, revenue is measured at the amount of consideration promised in contracts with customers less discounts, rebates, returns, etc.

(6) Other Significant Accounting Policies for Preparation of Non-Consolidated Financial Statements

1) Application of the group tax sharing system: The Company applied the group tax sharing system.

- 2) Accounting Treatment Related to Retirement Benefits: The method of accounting for unrecognized actuarial gain or loss and unrecognized past service cost related to retirement benefits is different from the method adopted in the consolidated financial statements.

Notes to Changes in Accounting Policies

(Application of the Accounting Standard for Current Income Taxes)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the current fiscal year.

Revisions to categories for recording current income taxes conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022. This change in accounting policies has no impact on the Company’s financial statements.

Notes to Changes in Method of Presentation

(Non-consolidated balance sheet)

“Deposits paid to subsidiaries and affiliates,” which was included in “Other current assets” under “Current assets” for the previous fiscal year, has been presented separately from the fiscal year ended December 31, 2025, due to an increase in financial materiality. Reclassifications of the non-consolidated financial statements for the previous fiscal year have been made to reflect this change in presentation. As a result, ¥58,957 million that was included in “Other current assets” under “Current assets” on the non-consolidated balance sheet for the previous fiscal year has been reclassified to ¥49,952 million for “Deposits paid to subsidiaries and affiliates” and ¥9,005 million for “Other current assets.”

Notes to Accounting Estimates

(Valuation of shares of subsidiaries and associates in connection with Shiseido Americas Corp. (“Shiseido Americas”))

- (1) The amount recorded in the financial statements for the current fiscal year

Shares of subsidiaries and associates in connection with Shiseido Americas	¥153,930 million
Loss on valuation of shares of subsidiaries and associates in connection with Shiseido Americas	¥180,303 million

- (2) Other information that contributes to the understanding of users of the financial statements regarding the accounting estimates

As for non-marketable equity securities, such as investments in subsidiaries and associates, when substantive value of the shares declines significantly due to deterioration in their issuer’s financial position, valuation loss needs to be recognized for the investment, unless the recoverability is supported by sufficient evidence. For shares of subsidiaries and associates in connection with Shiseido Americas, it was recognized during the current fiscal year that the substantive value had declined significantly compared to the acquisition cost. Therefore, the acquisition cost was reduced to the substantive value, and loss on valuation of shares of subsidiaries and associates was recorded under “Extraordinary losses.” The substantive value of Shiseido Americas includes excess earning power related to Americas Business cash-generating unit. For details, please refer to “Notes to Accounting Estimates” in the Notes to Consolidated Financial Statements.

Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment: ¥125,685 million

(2) Guarantees

Guarantee	Guaranteed Amount	Liability Guaranteed
Shiseido Americas Corp.	¥2,061 million	Standby letter of credit
Total	¥2,061 million	

(3) Monetary receivables from and payables to subsidiaries and associates are as follows. (Note)

Short-term receivables ¥111,924 million

Long-term receivables ¥734 million

Short-term payables ¥17,744 million

Note: Items presented separately on the non-consolidated balance sheet are excluded from the above.

Notes to Non-Consolidated Statement of Income

(1) Transactions with subsidiaries and associates

Net sales ¥252,732 million

Purchases ¥5,780 million

Other operating transactions ¥23,894 million

Non-operating transactions ¥71,484 million

(2) Structural reform expenses

Structural reform expenses recorded under “Extraordinary losses” include expenses of ¥1,857 million in connection with “Next Career Support Plan” related to “Action Plan 2025-2026” and expenses of ¥771 million associated with the advisory costs related to structural reform, etc.

Notes to Non-Consolidated Statement of Changes in Net Assets

Treasury shares

(Thousand shares)

	Number of shares on the beginning of the current fiscal year	Increase in shares in the current fiscal year	Decrease in shares in the current fiscal year	Number of shares on the end of the current fiscal year
Common stock	576	0	113	463

Note 1: Shares of common stock held as treasury shares increased due to the purchase of 0 thousand shares in response to purchase demands for less than one unit.

Note 2: Shares of common stock held as treasury shares decreased due to exercise of stock options for 22 thousand shares and disposal of 91 thousand shares as long-term incentive-type remuneration in accordance with the performance-linked stock remuneration plan.

Tax-Effect Accounting

Major components of deferred tax assets and deferred tax liabilities

	(Millions of yen)
Deferred tax assets	
Shares of subsidiaries and associates	81,257
Carryforward of unused tax losses	9,244
Foreign tax credit carryforwards	2,563
Inventories	2,431
Depreciation	3,323
Provision for bonuses	2,316
Write-down of investment securities and other investments	257
Refund liabilities	339
Allowance for doubtful accounts	200
Other	2,796
Subtotal of deferred tax assets	104,728
Valuation allowance related to carryforward of unused tax losses	(354)
Valuation allowance related to total deductible temporary differences	(83,973)
Subtotal	(84,327)
Total deferred tax assets	20,401
Deferred tax liabilities	
Reserve for tax purpose reduction entry	(2,239)
Unrealized losses on non-current assets due to company split	(327)
Unrealized losses on available-for-sale securities	(360)
Prepaid pension costs	(20)
Asset retirement obligation	(16)
Total	(2,964)
Net deferred tax assets	17,436

(1) Income taxes and inhabitant tax or accounting treatment of tax effects relevant to these taxes

The Company has adopted the group tax sharing system and follows the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Issues Task Force No. 42, August 12, 2021, hereinafter “PITF No. 42.”).

(2) Revisions to the amounts of deferred tax assets and deferred tax liabilities due to changes in tax rate of income taxes, etc.

Following the enactment of the “Act Partially Amending the Income Tax Act” (Act No. 13 of 2025) by the Diet on March 31, 2025, the “Special Defense Corporate Tax” will be imposed from fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in the fiscal years beginning on January 1, 2027 are calculated by changing the statutory tax rate from 31% to 31.5%.

The impact of this change is negligible.

Transactions with Related Parties

Subsidiaries, associates and other related parties

Type	Name	Voting Rights Held by Company (or held by others)	Relationship	Transactions	Amount of Transactions (Millions of yen)	Accounts Name	Balance as of December 31, 2025 (Millions of yen)
Subsidiary	Shiseido Japan Co., Ltd.	Direct, 100%	Product sales Concurrent directors	Sales of cosmetics (Note 1)	49,378	Accounts receivable	28,761
				Royalty income (Note 1)	24,108	Accounts receivable	26,519
				Deposit received (Note 2)	–	Deposits received from subsidiaries and associates	45,435
Subsidiary	Shiseido Americas Corp.	Direct, 100%	Product sales Concurrent directors	Deposit of funds (Note 2)	–	Deposits received from subsidiaries and associates	58,434
Subsidiary	Shiseido Europe S.A.	Direct, 100%	No business transaction conducted	Deposit received (Note 2)	–	Deposits received from subsidiaries and associates	22,632
Subsidiary	Shiseido (China) Co., Ltd.	Direct, 100%	Product sales Concurrent directors	Sales of cosmetics (Note 1)	48,306	Accounts receivable	10,723
				Deposit received (Note 2)	–	Deposits received from subsidiaries and associates	8,968
Subsidiary	Shiseido Travel Retail Asia Pacific Pte. Ltd.	Indirect, 100%	Product sales Concurrent directors	Sales of cosmetics (Note 1)	31,164	Accounts receivable	9,386
				Deposit received (Note 2)	–	Deposits received from subsidiaries and associates	24,382
Subsidiary	Shiseido Asia Pacific Pte. Ltd.	Direct, 100%	Product sales	Underwriting of capital increase (Note 3)	9,641	–	–

Note 1: Transaction Terms and Relevant Policies

For prices and other transaction terms, the Company sets prices in consideration of market prices and decides final prices based on negotiation.

Note 2: Funding transactions with subsidiaries are carried out as a part of a cash management system.

Note 3: This consists of the conversion to shares of liabilities owed by subsidiaries to the Company (debt-equity swap) and the acceptance of the total amount of share offerings executed by subsidiaries.

Per-Share Information

Net assets per share ¥958.95

Net loss per share ¥(282.95)

Significant Subsequent Events

Not applicable.

Copy of the Accounting Auditor's Report (Consolidated)

Independent Auditor's Report

February 19, 2026

To the Board of Directors of Shiseido Company, Limited:

KPMG AZSA LLC

Tokyo Office, Japan

Masakazu Hattori (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kentaro Hayashi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yuki Kodaka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes, of Shiseido Company, Limited ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") as at December 31, 2025 and for the year from January 1, 2025 to December 31, 2025 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the latter part of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements in Japan (including those that are relevant to our audit of the consolidated financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit Committee is responsible for overseeing the corporate executive officers' and the directors' performance of their duties

with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the latter part of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the latter part of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

The Audit Committee is responsible for overseeing the corporate executive officers and the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depend on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the latter part of Article 120-1 of the Regulations on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, which forms the basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Copy of the Accounting Auditor's Report

Independent Auditor's Report

February 19, 2026

To the Board of Directors of Shiseido Company, Limited:

KPMG AZSA LLC

Tokyo Office, Japan

Masakazu Hattori (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kentaro Hayashi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yuki Kodaka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules"), of Shiseido Company., Limited. ("the Company") as at December 31, 2025 and for the year from January 1, 2025 to December 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements in Japan (including those that are relevant to our audit of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit Committee is responsible for overseeing the corporate executive officers' and the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit Committee is responsible for overseeing the corporate executive officers' and the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Copy of the Audit Committee's Report

Audit Report

The Audit Committee has audited the performance of duties by the Directors and Corporate Executive Officers, etc. during the 126th business period (from January 1, 2025 to December 31, 2025). The following is a report on the method and results of the audit.

1. Method and Contents of Audit

As part of the supervisory functions to be fulfilled by the Board of Directors, the Audit Committee creates audit plans, etc., following the audit policy that, through conducting audits, it should carry out its role in establishing a good corporate governance structure that meets the trust of various stakeholders in order to ensure the sound and sustainable growth of the Shiseido Group and improve its corporate value for the medium to long term.

With respect to contents of the Board of Directors' resolutions regarding matters set forth in Article 416, paragraph (1), items (i)-(b) and (i)-(e) of the Companies Act of Japan and systems (internal control systems) developed based on such resolutions, the Audit Committee received reports from the Directors, Corporate Executive Officers, and Executive Officers, etc. on the status of the establishment and operation of such systems; requested explanations from them as necessary, and expressed opinions, on the status of development, etc. of governance mechanisms that enable the Company to make prompt and bold decisions; and conducted audits based on the methods described below:

- (1) In accordance with the audit policy and audit plans, etc., the Audit Committee cooperated with the Directors, Corporate Executive Officers, Executive Officers, and the internal audit division, etc., attended important meetings, received reports on the status of performance of duties associated with these roles, and requested explanations as necessary. The Committee also examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, the Committee achieved a mutual understanding and exchanged information with the heads of the business locations, and visited business locations as necessary to receive reports on their business and management status.
- (2) The Audit Committee monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. The Audit Committee was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Company Accounting Regulations) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on March 12, 2024), and requested explanations as necessary.

Based on the above-described methods, the Audit Committee examined the business report and the supplementary schedules, the financial statements (balance sheet, profit and loss statement, statement of changes in net assets, and schedule of individual notes) and the annexed specifications thereto, as well as the consolidated financial statements (consolidated statement of financial position, consolidated profit and loss statement, consolidated statement of changes in equity, and schedule of consolidated notes), for the business period under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- i) We acknowledge that the business report and the annexed specifications thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the articles of incorporation of the Company.

- ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the articles of incorporation of the Company was found with respect to the performance of duties by Directors and Corporate Executive Officers, etc.
- iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents of the business report and the performance of duties by Directors and Corporate Executive Officers, etc. concerning the internal control systems.

(2) Results of Audit of Financial Statements and their Annexed Specifications

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

February 19, 2026

Audit Committee of Shiseido Company, Limited

Yasuko Gotoh (sign and seal)

Chair of Audit Committee (External Director)

Hiromi Anno

Audit Committee Member (Full-time)

Takeshi Yoshida

Audit Committee Member (Full-time)

Ritsuko Nonomiya

Audit Committee Member (External Director)

Yasuhiro Nakajima

Audit Committee Member (External Director)

Reference Document Concerning the General Meeting of Shareholders

1. Total Number of Voting Rights Held by Shareholders: 3,989,687

2. Items of Business and Reference Information:

First Item of Business: Dividends of Retained Earnings

The Company would like to propose the amount of dividends for the fiscal year ended December 31, 2025 as follows, taking into account the basic policy for shareholder returns below, the consolidated financial results for the fiscal year, and future business development, among other factors.

If this proposal is accepted, the annual dividend per share for the fiscal year 2025, including the interim dividend, will be ¥40, which is the same amount as in the previous fiscal year.

Matters related to the year-end dividend

(1) Type of assets to be distributed as dividend

Cash

(2) Matter related to assignment of assets to be distributed to shareholders and the total amount thereof

An amount per share of common stock of the Company: ¥20.00

The total amount thereof: ¥7,990,726,520

(3) The date on which dividends of retained earnings become effective (the commencement day for payment)

March 26, 2026

Basic Policy for Shareholder Returns (As of December 31, 2025)

The Company's total shareholder return policy emphasizes maximizing returns to shareholders through direct means, in addition to generating medium-to long-term share price gains. To this end, our fundamental policy is to give highest priority to strategic investments aimed at sustainable growth in order to increase profits and improve capital efficiency, which will lead to medium-to long-term increases in dividends and higher share prices.

The Company focuses on consolidated financial performance and free cash flow in determining dividends and have set a dividend on equity attributable to owners of the parent (DOE) of 2.5% or higher as one of the metrics that reflect our capital policy for ensuring stable and consistent growth in shareholder returns over the long term. Our policy with respect to share buybacks is to remain flexible and make such decisions based on the market environment.

Trends of Dividends, etc.

	123rd Business Term (1/1/2022 - 12/31/2022)	124th Business Term (1/1/2023 - 12/31/2023)	125th Business Term (1/1/2024 - 12/31/2024)	126th Business Term (Current term) (1/1/2025 - 12/31/2025)
Annual cash dividends per share (Yen)	100 (including a commemorative dividend of ¥50)	60	40	40 (Plan)
Annual dividends (Millions of yen)	39,954	23,978	15,985	15,981 (Plan)
Consolidated payout ratio (%)	116.8	110.2	–	– (Plan)
DOE (%)	7.0	3.9	2.6	2.6 (Plan)

Notes:

- Figures of each item for the 126th Business Term (current term) are predicated on the approval of this item of business at this general meeting of shareholders.
- Consolidated payout ratio for the 125th Business Term and the 126th Business Term (current term) is not shown because the amount of profit attributable to owners of parent is negative.

Second Item of Business: Election of Twelve (12) Directors

The term of office of all eleven (11) directors will expire immediately upon the conclusion of the General Meeting of Shareholders. Accordingly, based on the decision of the Nominating Committee, the Company cordially asks shareholders to elect twelve (12) directors, including eight (8) external directors, an increase of one (1) to reinforce the oversight function of the executive division.

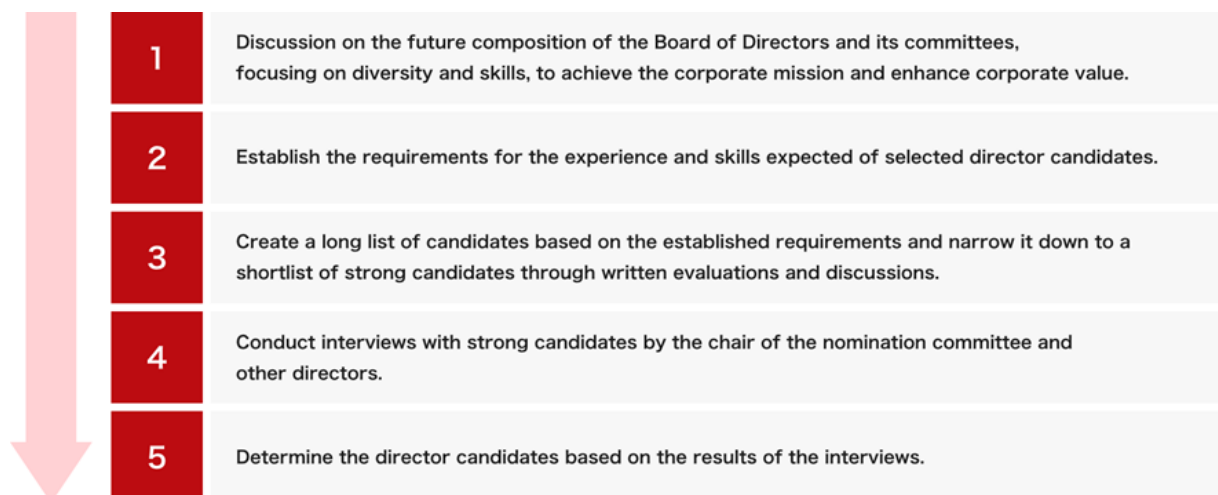
<Reference>

• Skills and Experience Required for the Company's Directors and Process of Candidate Selection

While our ultimate goal is to realize our corporate mission, “BEAUTY INNOVATIONS FOR A BETTER WORLD,” we have formulated and are implementing the “2030 Medium-Term Strategy” in order to maximize corporate value and social value.

The Company believes that the Board of Directors' supervision of the executive division and provision of advice to management are critical elements for realizing and achieving our corporate mission and management plans, and in order to fulfill these expected roles, the Company has defined the knowledge and expertise required for the entire Board of Directors and each Director on page 113.

Selection of candidates for Director is deliberated in the Nomination Committee composed of four (4) independent external directors, and determined through the following process:



• Percentage of Independent External Directors and Female Directors After the Conclusion of This General Meeting of Shareholders

Percentage of Independent External Directors 66.6% (8 out of 12)

Percentage of Female Directors 50.0% (6 out of 12)

<Reference>

Diverse backgrounds of Directors after the conclusion of the General Meeting of Shareholders (planned)

Candidates for Directors

No.	Name	Main Position(s) and Responsibilities Currently Held at the Shiseido Group	Attributes of the Candidates
1	Kentaro Fujiwara	Director Representative Corporate Executive Officer Chief Officer President and CEO	
2	Ayako Hirofuji	Director Representative Corporate Executive Officer Chief Officer Chief Financial Officer	
3	Hiromi Anno	Director Member of the Audit Committee (Full-time)	
4	Hitoshi Okamoto	Special Vice President, Internal Audit Department (Vice President, Risk Management Department until December 31, 2025)	Candidate for New Director
5	Mariko Tokuno	External Director Member of the Nominating Committee Member of the Compensation Committee	Candidate for External Director Candidate for Independent Director
6	Yoshihiko Hatanaka	External Director Chairperson of the Board of Directors Member of the Nominating Committee Chair of the Compensation Committee	Candidate for External Director Candidate for Independent Director
7	Yasuko Gotoh	External Director Chair of the Audit Committee	Candidate for External Director Candidate for Independent Director
8	Ritsuko Nonomiya	External Director Member of the Audit Committee	Candidate for External Director Candidate for Independent Director
9	Yasuhiro Nakajima	External Director Member of the Audit Committee	Candidate for External Director Candidate for Independent Director
10	Andrew House	—	Candidate for New Director Candidate for External Director Candidate for Independent Director
11	Keiko Kaneko	—	Candidate for New Director Candidate for External Director Candidate for Independent Director
12	Takuya Nakata	—	Candidate for New Director Candidate for External Director Candidate for Independent Director

Details of main knowledge and expertise

Main experience	Icon	Specific
Experience as top management of a listed company		Practice management to realize sustainable growth and medium-to long-term enhancement of corporate value while considering the relationship with stakeholders
Corporate management experience		Clear awareness towards changes in the business environment, develop appropriate strategies, and support business execution with accountability
Experience in BtoC, neighboring industries		Have good understanding of the industry environment and pursue effective positioning to enhance customer value and the Company's competitive advantage
Brand marketing		Build and strengthen brand equity value to increase profitability of the business and enhance corporate value
Legal affairs and risk management		Ensure effective risk management process and compliance across the organization to support the basis for fair and sound business practices
Finance, accounting, financial systems		Develop and maintain a sound, strong financial position and provide oversight for strategic implementation of the Company's business to achieve growth

	Fujiwara	Hirofuji	Anno	Okamoto	Tokuno	Hatanaka	Gotoh	Nonomiya	Nakajima	House	Kaneko	Nakata
Experience as top management of a listed company	○					○						○
Corporate management experience	○	○	○	○	○	○	○	○	○	○	○	○
Experience in BtoC, neighboring industry	○	○	○	○	○	○				○		○
Brand marketing	○			○	○					○		○
Legal affairs and risk management			○	○					○		○	
Finance, accounting, financial systems		○				○	○	○	○	○		

	Corporate Management Structure After the Conclusion of the 126 th Annual General Meeting of Shareholders (Planned)			
	Main Position(s) and Responsibilities at the Group	Nominating Committee	Compensation Committee	Audit Committee
Kentaro Fujiwara	Director Representative Corporate Executive Officer Chief Officer President and CEO			
Ayako Hirofuji	Director Representative Corporate Executive Officer Chief Officer Chief Financial Officer			
Hiromi Anno	Director			○ Full-time
Hitoshi Okamoto	Director			○ Full-time
Mariko Tokuno	External Director	○	○	
Yoshihiko Hatanaka	External Director Chairperson of the Board of Directors	○	○	
Yasuko Gotoh	External Director			○
Ritsuko Nonomiya	External Director	○	○	
Yasuhiro Nakajima	External Director			○
Andrew House	External Director	○	○	
Keiko Kaneko	External Director			○
Takuya Nakata	External Director	○	○	



1. Kentaro Fujiwara

(Date of birth: December 21, 1966)

Career Summary / Positions and Responsibilities in the Company

- Number of shares of the Company owned
9,200 shares
 - Number of years in office of the Company as Director
3 years
 - Number of meetings attended for the fiscal year ended December 31, 2025
13 out of 13 meetings (100%)
- Board of Directors:
13 out of 13 meetings (100%)

Apr. 1991: Joined the Company
 Jul. 2004: Director, Europe Distribution Center, Shiseido Europe S.A.
 Nov. 2011: Director, President, Shiseido Korea Co., Ltd.
 May 2013: Director, President, Shiseido Professional Korea Co., Ltd.
 Apr. 2015: Vice President, Corporate Strategy Department of the Company
 Group Leader, Digital Strategy Group of the Company
 Nov. 2015: Chairman of the Board, President of Shiseido (China) Co., Ltd.
 Jan. 2016: Corporate Officer of the Company, China Region
 Jan. 2018: Corporate Officer of the Company
 CEO, China Region
 Jan. 2020: Senior Executive Officer of the Company
 CEO, China Region
 Jan. 2021: Executive Officer of the Company
 Jan. 2023: President and Chief Operating Officer (COO) of the Company
 Mar. 2023: Representative Director of the Company
 Sep. 2023: Representative Director, Chairman of Shiseido Japan Co., Ltd.
 Jan. 2024: CEO, Japan Region of the Company
 Representative Director, President and CEO of Shiseido Japan Co., Ltd.
 Mar. 2024: Director of the Company [incumbent]
 Representative Corporate Executive Officer of the Company [incumbent]
 Jan. 2025: President and CEO of the Company [incumbent]
 Jan. 2026: Chief Officer of the Company [incumbent]

Important Positions at Other Organizations Concurrently Held

None

Reasons for Nomination of the Candidate for Director

Since joining the Company, Mr. Kentaro Fujiwara has been in charge primarily of the overseas business in Europe, Korea, and other regions, contributing to the development of its overseas operations through business execution and organizational management tailored to local market conditions. Since 2015, he has headed its Chinese business, achieving significant growth in business. Mr. Fujiwara, as President and COO since 2023, and as President and CEO since January 2025, has led overall management. In 2025, based on “Action Plan 2025-2026,” the Company implemented a policy of selection and concentration on focus brands and executed radical structural reforms on a global scale. Through these efforts, the Company established a more robust earnings base and finalized the “2030 Medium-term Strategy,” our new medium-term business plan.

Considering this proven track record and in anticipation that he will continue to undertake his role as a management leader who is capable of further pursuing the maximization of the Company’s growth and both corporate and social value based on the new Medium-term Strategy, the Nominating Committee has decided to continuously select him as a candidate for director to ensure the effectiveness of the Board of Directors. After the appointment, he is expected to continue to fulfill his role as a member of the Board of Directors.

Based on his career stated in “Career Summary / Positions and Responsibilities in the Company” and other background, Mr. Fujiwara has experience and expertise as follows:

Experience and Expertise of the Candidate



Experience as top management of a listed company



Corporate management experience



Experience in BtoC, neighboring industries



Brand marketing

Special Interest between the Candidate and the Company

There is no special interest between Mr. Kentaro Fujiwara and the Company.



2. Ayako Hirofuji (Date of birth: October 3, 1979)

Career Summary / Positions and Responsibilities in the Company

Apr. 2003: Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.)
 Aug. 2005: Joined the Company
 Jul. 2014: President of Director, PT SHISEIDO Cosmetics Indonesia
 Jul. 2015: President of Director, PT Shiseido Professional Indonesia
 Jan. 2019: Vice President, Strategic Finance Department of the Company
 Jan. 2022: Vice President, IR Department of the Company
 Jan. 2024: Executive Officer of the Company
 Chief Investor Engagement Officer of the Company
 Chief DE&I Officer of the Company
 May 2024: Deputy Chief Financial Officer of the Company
 Jul. 2024: Corporate Executive Officer of the Company
 Chief Financial Officer of the Company [incumbent]
 Jan. 2025: Representative Corporate Executive Officer of the Company [incumbent]
 Mar. 2025: Director of the Company [incumbent]
 Jan. 2026: Chief Officer of the Company [incumbent]

- Number of shares of the Company owned
2,100 shares
- Number of years in office of the Company as Director
1 year
- Number of meetings attended for the fiscal year ended December 31, 2025

Board of Directors: 10 out of 10 meetings (100%)

Important Positions at Other Organizations Concurrently Held

None

Reasons for Nomination of the Candidate for Director

Since joining the Company, Ms. Ayako Hirofuji has gained a global business management capability through her leadership roles as President of Director of our local subsidiaries in Indonesia, while acquiring extensive knowledge and expertise in finance, accounting, and investor relations (IR) as Vice President of Strategic Finance and IR departments of the Company. Since January 2024, she has been promoting diversity, equity, and inclusion as Chief DE&I Officer, and since July 2024, she has been taking the lead in financial areas of the Company's business as Chief Financial Officer. In addition to these roles, she assumed the position of Representative Corporate Executive Officer in January 2025 and has aimed to further enhance overall management and corporate value from a financial strategy perspective, leading the promotion of "Action Plan 2025-2026" alongside President and CEO Mr. Fujiwara and executing the strengthening of financial discipline and cost structure reforms.

Given her extensive roles, the Nominating Committee has continuously nominated her as a candidate for director to achieve further improvement of the effectiveness of the Board of Directors. After appointment, she is expected to continue to fulfill her role as a member of the Board of Directors.

Based on her career stated in "Career Summary / Positions and Responsibilities in the Company" and other background, Ms. Hirofuji has experience and expertise as follows:

Experience and Expertise of the Candidate



Corporate management experience



Experience in BtoC, neighboring industries



Finance, accounting, financial systems

Special Interest between the Candidate and the Company

There is no special interest between Ms. Ayako Hirofuji and the Company.



3. Hiromi Anno ^{*} (Date of birth: July 27, 1970)

Career Summary / Positions and Responsibilities in the Company

Apr. 1995: Joined the Company
 Jan. 2018: Chief Manager of Global Communications Department of the Company
 Jan. 2020: Corporate Officer, Chief Public Relations Officer of the Company
 Jan. 2021: Executive Officer of the Company
 Mar. 2023: Audit & Supervisory Board Member of the Company
 Mar. 2024: Director of the Company [incumbent]
 Member (Full-time), Audit Committee of the Company [incumbent]

Important Positions at Other Organizations Concurrently Held

None

■ Number of shares of the Company owned

2,000 shares

■ Number of years in office of the Company as Director

2 years

■ Number of meetings attended for the fiscal year ended December 31, 2025

Board of Directors: 13 out of 13 meetings (100%)

Audit Committee: 19 out of 19 meetings (100%)

Reasons for Nomination of the Candidate for Director

Since joining the Company, Ms. Hiromi Anno has gained experience in the sales sites of our domestic business, IR involving dialogues with investors, and business planning, among others. She has also been serving as the head of Global Communications Dept., Corporate Officer and Executive Officer, and also has experience and extensive knowledge in corporate governance and compliance. Utilizing her experience and knowledge, Ms. Anno has sufficiently fulfilled the role of a full-time Audit & Supervisory Board member since 2023 and that of a director and a full-time member of the Audit Committee since 2024. In addition, she has been candidly providing recommendations on management and organizational issues from an unbiased and objective viewpoint based on a deep understanding of the Company's business at the Board of Directors meetings and has been adequately fulfilling her duties and responsibilities including the oversight of business execution.

For the reasons stated above, the Company is of the opinion that she will adequately fulfill the role of a director. Accordingly, the Nominating Committee has continuously nominated her as a candidate for director. After appointment, she is expected to continue fulfilling the aforementioned role as well as to fulfill the role as a full-time member of the Audit Committee.

Based on her career stated in "Career Summary / Positions and Responsibilities in the Company" and other background, Ms. Anno has experience and expertise as follows:

Experience and Expertise of the Candidate



Corporate management experience



Experience in BtoC, neighboring industries



Legal affairs and risk management

Special Interest between the Candidate and the Company

There is no special interest between Ms. Hiromi Anno and the Company.

* The legal name of Ms. Hiromi Anno, a candidate for director, is Hiromi Hara.



4. Hitoshi Okamoto (Date of birth: January 16, 1968)

Candidate for New Director

Career Summary / Positions and Responsibilities in the Company

Apr. 1991: Joined the Company
 Apr. 2013: President & CEO of Shiseido (Canada) Inc.
 Jan. 2016: Vice President, Corporate Strategy Department of the Company
 Jan. 2018: Vice President, Brand Development Department, SHISEIDO Brand Unit, Global Prestige Brands Division of the Company
 Jan. 2019: Vice President, Risk Management Department of the Company
 Jan. 2026: Special Vice President, Internal Audit Department of the Company [incumbent]

Important Positions at Other Organizations Concurrently Held

None

■ Number of shares of the Company owned
 1,000 shares

■ Number of years in office of the Company as Director

■ Number of meetings attended for the fiscal year ended December 31, 2025

Board of Directors: -

Reasons for Nomination of the Candidate for Director

Mr. Hitoshi Okamoto has held key positions in the Brand Marketing Division, Overseas Business Division, Corporate Strategy Department, and Risk Management Department. He possesses extensive knowledge and a managerial perspective on the overall operations of Shiseido Group both domestically and internationally.

With these experiences and expertise, we believe that appointing him as a director, who can provide advice and oversight to our management, will further enhance the effectiveness of the Board of Directors.

For the reasons stated above, the Company is of the opinion that he will adequately fulfill the role of a director. Accordingly, the Nominating Committee has newly nominated him as a candidate for director. After appointment, he is expected to fulfill the aforementioned role as well as to fulfill the role as a full-time member of the Audit Committee.

Based on his career stated in “Career Summary / Positions and Responsibilities in the Company” and other background, Mr. Okamoto has experience and expertise as follows:

Experience and Expertise of the Candidate



Corporate management experience



Experience in BtoC, neighboring industries



Brand marketing



Legal affairs and risk management

Special Interest between the Candidate and the Company

There is no special interest between Mr. Hitoshi Okamoto and the Company.

5. Mariko Tokuno (Date of birth: October 6, 1954)

Candidate for External Director

Candidate for Independent Director



- Number of shares of the Company owned
3,400 shares
- Number of years in office of the Company as External Director
4 years
- Number of meetings attended for the fiscal year ended December 31, 2025

Board of Directors: 13 out of 13 meetings (100%)

Nominating Committee: 13 out of 13 meetings (100%)

Compensation Committee: 13 out of 13 meetings (100%)

Career Summary / Positions and Responsibilities in the Company

Apr. 1978: Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)
 Jan. 1994: Joined Louis Vuitton Japan K.K.
 Apr. 2002: Senior Director, Sales Administration, Louis Vuitton Japan K.K.
 Mar. 2004: Vice President, Tiffany & Co., Japan Inc.
 Aug. 2010: Representative Director, President, Christian Dior K.K.
 Jun. 2013: Outside Director, HAPPINET CORPORATION
 Sep. 2013: Representative Director, President and CEO, Ferragamo Japan K.K.
 Jun. 2016: Outside Director, Mitsubishi Materials Corporation
 Jun. 2017: Outside Director, YAMATO HOLDINGS CO., LTD.
 Mar. 2022: External Director of the Company [incumbent]
 Mar. 2024: Member, Nominating Committee of the Company [incumbent]
 Member, Compensation Committee of the Company [incumbent]
 Jun. 2024: Outside Director, Nissan Motor Co., Ltd. [incumbent]

Important Positions at Other Organizations Concurrently Held

(* indicates a listed company)

Outside Director, Nissan Motor Co., Ltd.*

Reasons for Nomination of the Candidate for External Director and Outline of Expected Roles

Ms. Mariko Tokuno is a candidate for external director fulfilling the requirements set forth in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.

Through her extensive experience of assuming executive roles at owner companies of global prestige brands, she has deep knowledge of the prestige brand business as well as insight into corporate management, marketing, and other areas from a global perspective. Based on her experience and knowledge, she has been actively expressing her opinions concerning the business strategy, branding and marketing strategies at the Board of Directors meetings and adequately serving the role as the Company's external director through offering advice from both management and marketing perspectives and providing oversight.

In addition, as a member of the Nominating Committee and the Compensation Committee, she has actively made appropriate comments based on her experience and expertise as a manager and an external director at multiple listed companies.

For the reasons stated above, the Company is of the opinion that she would be able to adequately fulfill the role of an external director. Accordingly, the Nominating Committee has continuously selected her as a candidate for external director. After appointment, she is expected to continue fulfilling the aforementioned role as well as to fulfill the role as a member of the Nominating Committee and the Compensation Committee.

Based on her career stated in "Career Summary / Positions and Responsibilities in the Company" and other background, Ms. Tokuno has experience and expertise as follows:

Experience and Expertise of the Candidate



Corporate management experience



Experience in BtoC, neighboring industries



Brand marketing

Special Interest between the Candidate and the Company

There is no special interest between Ms. Mariko Tokuno and the Company.



6. Yoshihiko Hatanaka

(Date of birth: April 20, 1957)

Candidate for External Director

Candidate for Independent Director

Career Summary / Positions and Responsibilities in the Company

- Apr. 1980: Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
- Jun. 2005: Corporate Executive, Vice President, Corporate Planning, Corporate Strategy Division, Astellas Pharma Inc.
- Apr. 2006: Corporate Executive, Astellas Pharma Inc. and President & CEO, Astellas US LLC and President & CEO, Astellas Pharma US, Inc.
- Jun. 2008: Senior Corporate Executive, Astellas Pharma Inc. and President & CEO, Astellas US LLC and President & CEO, Astellas Pharma US, Inc.
- Apr. 2009: Senior Corporate Executive, Chief Strategy Officer and Chief Financial Officer (CSTO & CFO), Astellas Pharma Inc.
- Jun. 2011: Representative Director, President and CEO, Astellas Pharma Inc.
- Apr. 2018: Representative Director, Chairman of the Board, Astellas Pharma Inc.
- Jun. 2019: Outside Director, Sony Corporation (currently SONY GROUP CORPORATION)
- Mar. 2023: External Director of the Company [incumbent]
- Jun. 2023: Outside Director, Sekisui Chemical Co., Ltd. [incumbent]
- Mar. 2024: Member, Nominating Committee of the Company [incumbent]
Chair, Compensation Committee of the Company [incumbent]
- Jan. 2025: Chair, the Board of Directors of the Company [incumbent]

- Number of shares of the Company owned
1,400 shares
- Number of years in office of the Company as External Director
3 years
- Number of meetings attended for the fiscal year ended December 31, 2025

Board of Directors: 13 out of 13 meetings (100%)

Nominating Committee: 13 out of 13 meetings (100%)

Compensation Committee: 13 out of 13 meetings (100%)

Important Positions at Other Organizations Concurrently Held

(* indicates a listed company)

Outside Director, Sekisui Chemical Co., Ltd.*

Reasons for Nomination of the Candidate for External Director and Outline of Expected Roles

Mr. Yoshihiko Hatanaka is a candidate for external director fulfilling the requirements set forth in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.

Mr. Hatanaka has diversified and broad knowledge into corporate management based on his extensive experience and achievements as a top executive of a globally operating listed company, as well as experience as a CEO of overseas subsidiaries and a head of corporate planning and finance. Based on his experience and knowledge, he has been actively asking questions and making comments on management strategies, global business development, and dialogue with the capital markets at the meetings of the Board of Directors and adequately serving the role as the Company's external director through providing supervision, etc., for further enhancement of corporate governance. Furthermore, as Chairperson of the Board of Directors, he has led discussions to facilitate swift and appropriate decision-making in light of the changing business environment, significantly contributing to the improvement of the Board's agility and quality.

In addition, as a member of the Nominating Committee and the chair of the Compensation Committee, he has actively made precise comments based on his accumulated experience as a top executive of a globally operating listed company and as an external director at several companies.

For the reasons stated above, the Company is of the opinion that he would be able to adequately fulfill the role of an external director. Accordingly, the Nominating Committee has continuously selected him as a candidate for external director. After appointment, he is expected to continue fulfilling the aforementioned role as well as to fulfill the role as a member of the Nominating Committee and as the chair of the Compensation Committee.

Based on his career stated in "Career Summary / Positions and Responsibilities in the Company" and other background, Mr. Hatanaka has experience and expertise as follows:

Experience and Expertise of the Candidate



Experience as top management of a listed company



Corporate management experience



Experience in BtoC, neighboring industries



Finance, accounting, financial systems

Special Interest between the Candidate and the Company

Mr. Yoshihiko Hatanaka concurrently holds the office of Outside Director of Sekisui Chemical Co., Ltd. (“Sekisui Chemical”), with which the Company has the following transactions:

<Organizations at Which the Candidate Concurrently Assumes the Position of External Director>

Organization where Concurrent Position is Held	Transaction Matter, etc.	Vendor, Recipient of Supporting Money, etc.	Purchaser, Provider of Supporting Money, etc.	Percentage of Transaction Value	Value for Comparison
Sekisui Chemical Co., Ltd.	Raw materials, etc.	Sekisui Chemical Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
				Less than 1%	Consolidated net sales of Sekisui Chemical Co., Ltd. for the fiscal year ended March 31, 2025



7. Yasuko Gotoh (Date of birth: February 19, 1958)

Candidate for External Director

Candidate for Independent Director

Career Summary / Positions and Responsibilities in the Company

- Number of shares of the Company owned
1,700 shares
- Number of years in office of the Company as External Director
2 years
- Number of meetings attended for the fiscal year ended December 31, 2025
- Board of Directors: 13 out of 13 meetings (100%)
- Audit Committee: 19 out of 19 meetings (100%)

- Apr. 1980: Joined Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism (MLIT))
- Jun. 2004: Director, Tourism Promotion Bureau at New York, Tourist Bureau of Japan
- Oct. 2005: Deputy Governor, Yamagata Prefecture
- Jul. 2008: Director, Regional Transport Bureau of Hokuriku and Shinetsu Regions, MLIT
- Jul. 2013: Director General, Policy Research Institute for Land, Infrastructure and Transport and Tourism, MLIT
- Oct. 2014: Joined Kyushu Railway Company
- Jun. 2015: Deputy Director General, Railway Operations Headquarters, Kyushu Railway Company
Director General, Travel Services Headquarters, Kyushu Railway Company
- Jun. 2017: Managing Director, CFO in charge of the Treasury Department, Kyushu Railway Company
- Jun. 2018: Director, Audit and Supervisory Committee Member, Kyushu Railway Company
- Mar. 2019: External Audit & Supervisory Board Member of the Company
- Jun. 2019: Outside Audit & Supervisory Board Member, DENSO CORPORATION [incumbent]
- Apr. 2023: Guest professor, Faculty of Tourism and Community Development, Kokugakuin University [incumbent]
- Jun. 2023: Outside Audit & Supervisory Board Member, Mitsui Chemicals, Inc. [incumbent]
- Oct. 2023: Audit and Inspection Commissioners, the Tokyo Metropolitan Government [incumbent]
- Mar. 2024: External Director of the Company [incumbent]
Member, Audit Committee of the Company
- Mar. 2025: Chair, Audit Committee of the Company [incumbent]

Important Positions at Other Organizations Concurrently Held

(* indicates a listed company)

Outside Audit & Supervisory Board Member, DENSO CORPORATION*

Outside Audit & Supervisory Board Member, Mitsui Chemicals, Inc.*

Audit and Inspection Commissioners, the Tokyo Metropolitan Government

Reasons for Nomination of the Candidate for External Audit & Supervisory Board Member and Outline of Expected Roles

Ms. Yasuko Gotoh is a candidate for external director fulfilling the requirements set forth in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.

She was the first female career bureaucrat in the Ministry of Transport (currently the Ministry of Land, Infrastructure, Transport and Tourism (MLIT)) and served as Director of Tourism Promotion Bureau at New York of Tourist Bureau of Japan. Meanwhile, she has an extensive network having held a succession of various important posts including that of Deputy Governor of Yamagata Prefecture and Director General of the Policy Research Institute for Land, Infrastructure and Transport and Tourism. After retiring from MLIT, she held various executive positions in Kyushu Railway Company including the Managing Director in the business and financial divisions as well as Director, Audit and Supervisory Committee Member responsible for auditing of the business execution process by the directors. Currently, she serves as Outside Audit & Supervisory Board Member at other firms and has experience and knowledge in finance and accounting. Based on such experience and knowledge, she has been asking questions and making comments on management strategies, global business development, and finance and accounting at the meetings of the Board of Directors and adequately serving the role as the Company's external director through providing supervision of the Company's business execution.

In addition, as the chair of the Audit Committee, she actively provided accurate opinions based on her experience as an outside audit & supervisory board member of several listed

companies and her experience and knowledge in finance and accounting.

For the reasons stated above, the Company is of the opinion that she would be able to adequately fulfill the role of an external director. Accordingly, the Nominating Committee has continuously selected her as a candidate for external director. After appointment, she is expected to continue fulfilling the aforementioned role as well as to fulfill the role as a member of the Audit Committee.

Based on her career stated in “Career Summary / Positions and Responsibilities in the Company” and other background, Ms. Gotoh has experience and expertise as follows:

Experience and Expertise of the Candidate



Corporate management experience



Finance, accounting, financial systems

Special Interest between the Candidate and the Company

Ms. Yasuko Gotoh concurrently holds the office of Outside Audit & Supervisory Board Member of DENSO CORPORATION (“DENSO”) and Outside Audit & Supervisory Board Member of Mitsui Chemicals, Inc. (“Mitsui Chemicals”), with which the Company has the following transactions:

<Organizations at Which the Candidate Concurrently Assumes the Position of External Director>

Organization where Concurrent Position is Held	Transaction Matter, etc.	Vendor, Recipient of Supporting Money, etc.	Purchaser, Provider of Supporting Money, etc.	Percentage of Transaction Value	Value for Comparison
DENSO CORPORATION	Outsourcing business, etc.	DENSO Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
				Less than 1%	Consolidated net revenue of DENSO CORPORATION for the fiscal year ended March 31, 2025
Mitsui Chemicals, Inc.	Raw materials, etc.	Mitsui Chemicals Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
				Less than 1%	Consolidated net revenue of Mitsui Chemicals, Inc. for the fiscal year ended March 31, 2025



8. Ritsuko Nonomiya

(Date of birth: November 28, 1961)

Candidate for External Director

Candidate for Independent Director

Career Summary / Positions and Responsibilities in the Company

- Number of shares of the Company owned
1,400 shares
- Number of years in office of the Company as External Director
2 years
- Number of meetings attended for the fiscal year ended December 31, 2025
- Board of Directors: 13 out of 13 meetings (100%)
- Audit Committee: 19 out of 19 meetings (100%)
- Sep. 1987: Joined Pete Murwick Maine Accounting Firm (currently KPMG LLP)
- Apr. 1997: Partner, KPMG Corporate Finance Co., Ltd.
- Nov. 2000: Joined UBS Warburg Securities Co., Ltd. (currently UBS Securities Japan Co., Ltd.)
- Jan. 2005: M&A Advisor, Managing Director, UBS Warburg Securities Co., Ltd. (currently UBS Securities Japan Co., Ltd.)
- Jul. 2008: Senior Vice President, Business Development Leader, GE Capital Asia Pacific
- Apr. 2013: Senior Executive Officer and Business Development Leader, GE Capital Japan, GE Japan (currently GE Japan Inc.)
- Dec. 2013: Managing Director, GCA Savvian Corporation (currently GCA, LLC)
- Mar. 2017: Director, GCA Savvian Corporation (currently GCA, LLC)
- Mar. 2020: External Audit & Supervisory Board Member of the Company Director, GCA Advisers k.k. (currently Houlihan Lokey Corporation)
- Jun. 2020: Outside Director, NAGASE & CO., LTD. [incumbent]
- Feb. 2022: CEO, Representative Director, Houlihan Lokey Corporation [incumbent]
- Mar. 2024: External Director of the Company [incumbent]
Member, Audit Committee of the Company [incumbent]
Executive Officer, GCA, LLC [incumbent]
- Jun. 2025: Outside Director, Nippon Yusen Kabushiki Kaisha [incumbent]

Important Positions at Other Organizations Concurrently Held

(* indicates a listed company)

Outside Director, NAGASE & CO., LTD.*
CEO, Representative Director, Houlihan Lokey Corporation
Outside Director, Nippon Yusen Kabushiki Kaisha*

Reasons for Nomination of the Candidate for External Director and Outline of Expected Roles

Ms. Ritsuko Nonomiya is a candidate for external director fulfilling the requirements set forth in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.

She has accumulated business experience in accounting offices of the KPMG Group and other firms in the U.S. and Japan and has engaged in M&A and business development processes in the UBS Group and the GE Group. Thus, she has extensive knowledge in finance and accounting, as well as experience gained through her work as an M&A specialist and experience and knowledge cultivated through international business. Drawing on this experience and knowledge, she has been asking questions and making comments regarding management strategies, financial strategies, and structural reform proposals at the meetings of the Board of Directors and adequately serving the role as the Company's external director through providing supervision of the Company's business execution.

In addition, as a member of the Audit Committee, she actively provided accurate opinions based on her experience in management at a company where she has served as CEO and her experience and insights in business, including M&A, which is her area of expertise.

For the reasons stated above, the Company is of the opinion that she would be able to adequately fulfill the role of an external director. Accordingly, the Nominating Committee has continuously selected her as a candidate for external director. After appointment, she is expected to continue fulfilling the aforementioned role as well as to fulfill the role as a member of the Nominating Committee and the Compensation Committee.

Based on her career stated in "Career Summary / Positions and Responsibilities in the Company" and other background, Ms. Nonomiya has experience and expertise as follows:

Experience and Expertise of the Candidate



Corporate management experience



Finance, accounting, financial systems

Special Interest between the Candidate and the Company

Ms. Ritsuko Nonomiya concurrently holds the office of Outside Director of NAGASE & CO., LTD. (“NAGASE & CO.”), with which the Company has the following transactions:

<Organizations at Which the Candidate Concurrently Assumes the Position of External Director>

Organization where Concurrent Position is Held	Transaction Matter, etc.	Vendor, Recipient of Supporting Money, etc.	Purchaser, Provider of Supporting Money, etc.	Percentage of Transaction Value	Value for Comparison
NAGASE & CO., LTD.	Raw materials, etc.	NAGASE & CO. Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
				Less than 1%	Consolidated net sales of NAGASE & CO., LTD. for the fiscal year ended March 31, 2025



9. Yasuhiro Nakajima

(Date of birth: October 13, 1961)

Candidate for External Director

Candidate for Independent Director

Career Summary / Positions and Responsibilities in the Company

Apr. 1984: Joined Hitachi Ltd.
 Mar. 1995: Certified Public Accountant
 Jul. 2007: Representative Partner, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Japan LLC)
 Jul. 2012: Executive Officer (Leader of Quality Management), PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Japan LLC)
 Jul. 2014: General Manager, Nagoya Office, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Japan LLC)
 Jul. 2017: Oversight Board Member, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Japan LLC)
 Apr. 2022: Project Professor, Graduate School of Business, Osaka Metropolitan University [incumbent]
 Jul. 2022: Representative, Nakajima CPA Office [incumbent]
 Mar. 2023: Member of the Board as Outside Director, Bridgestone Corporation [incumbent]
 Mar. 2025: External Director of the Company [incumbent]
 Member, Audit Committee of the Company [incumbent]

- Number of shares of the Company owned
300 shares
- Number of years in office of the Company as External Director
1 year
- Number of meetings attended for the fiscal year ended December 31, 2025

Board of Directors: 10 out of 10 meetings (100%)

Audit Committee: 13 out of 13 meetings (100%)

Important Positions at Other Organizations Concurrently Held

(* indicates a listed company)

Representative, Nakajima CPA Office

Member of the Board as Outside Director, Bridgestone Corporation*

Reasons for Nomination of the Candidate for External Director and Outline of Expected Roles

Mr. Yasuhiro Nakajima is a candidate for external director fulfilling the requirements set forth in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.

He possesses extensive experience and achievements in accounting audits and advisory services as a certified public accountant, as well as insights and accurate problem identification regarding the management of global companies. Based on these experiences and insights, Mr. Nakajima has been fulfilling an appropriate role as an External Director in supervising business execution, such as by raising questions and providing input on key agenda items at Board of Directors meetings, primarily regarding growth strategies and financial figures.

Furthermore, as a member of the Audit Committee, he has actively provided appropriate opinions based on his experience and expertise in the specialized fields of finance and accounting.

He has not been engaged in management of any companies or any positions other than an external director. For the reasons stated above, however, the Company is of the opinion that he would be able to adequately fulfill the role of an external director. Accordingly, the Nominating Committee has decided to continuously select him as a candidate for external director. After appointment, he is expected to continue fulfilling the aforementioned role as well as to fulfill the role as a member of the Audit Committee.

Based on his career stated in “Career Summary / Positions and Responsibilities in the Company” and other background, Mr. Nakajima has experience and expertise as follows:

Experience and Expertise of the Candidate



Corporate management experience



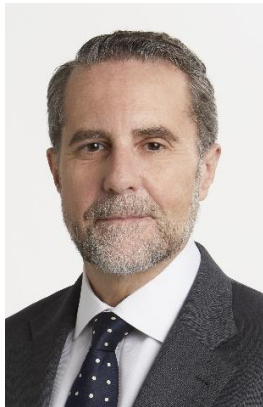
Legal affairs and risk management



Finance, accounting, financial systems

Special Interest between the Candidate and the Company

There is no special interest between Mr. Yasuhiro Nakajima and the Company.



10. Andrew House

(Date of birth: January 23, 1965)

Candidate for New Director

Candidate for External Director

Candidate for Independent Director

Career Summary / Positions and Responsibilities in the Company

Oct. 1990: Joined Sony Corporation (currently SONY GROUP CORPORATION)
 Oct. 2005: Group Executive and Chief Marketing Officer, Sony Corporation
 Sep. 2011: Group Executive, President and Global CEO, Sony Computer Entertainment
 Apr. 2016: President and Global CEO, Sony Interactive Entertainment
 Oct. 2017: Chairman, Sony Interactive Entertainment
 Apr. 2018: Strategic Advisor, Intelity [incumbent]
 Oct. 2018: Executive Mentor, Meryck & Co., Ltd. (currently The Exco Group LLC) [incumbent]
 Jun. 2019: Outside Director, Nissan Motor Co., Ltd. [incumbent]
 May 2021: External Director, Nordic Entertainment Group AB (currently Viaplay Group AB)
 Mar. 2022: Outside Director, Dentsu Group Inc. [incumbent]

- Number of shares of the Company owned
0 shares
- Number of years in office of the Company as External Director
- Number of meetings attended for the fiscal year ended December 31, 2025
Board of Directors: -

Important Positions at Other Organizations Concurrently Held

(* indicates a listed company)

Outside Director, Nissan Motor Co., Ltd.*

Outside Director, Dentsu Group Inc.*

Reasons for Nomination of the Candidate for External Director and Outline of Expected Roles

Mr. Andrew House is a candidate for external director fulfilling the requirements set forth in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.

With extensive experience and achievements as the global head of the entertainment business centered on gaming consoles at a globally expanding conglomerate, he possesses deep expertise in brand marketing. Additionally, he has a high level of knowledge in managing global organizations and overseas markets, particularly in North America. By appointing him as an external director, we expect valuable advice and oversight regarding our corporate management, which will further enhance the effectiveness of the Board of Directors.

For the reasons stated above, the Company is of the opinion that he would be able to adequately fulfill the role of an external director. Accordingly, the Nominating Committee has decided to newly select him as a candidate for external director. After appointment, he is expected to fulfill the aforementioned role as well as to fulfill the role as a member of the Nominating Committee and Compensation Committee.

Based on his career stated in “Career Summary / Positions and Responsibilities in the Company” and other background, Mr. House has experience and expertise as follows:

Experience and Expertise of the Candidate



Corporate management experience



Experience in BtoC, neighboring industries



Brand marketing



Finance, accounting, financial systems

Special Interest between the Candidate and the Company

Mr. Andrew House concurrently holds the office of Outside Director of Dentsu Group Inc. (“Dentsu”), with which the Company has the following transactions:

<Organizations at Which the Candidate Concurrently Assumes the Position of External Director>

Organization where Concurrent Position is Held	Transaction Matter, etc.	Vendor, Recipient of Supporting Money, etc.	Purchaser, Provider of Supporting Money, etc.	Percentage of Transaction Value	Value for Comparison
Dentsu Group Inc.	Outsourcing business, etc.	Dentsu Group	Shiseido Group	Less than 2%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
				Less than 2%	Consolidated revenue of Dentsu Group Inc. for the fiscal year ended December 31, 2025



11. Keiko Kaneko

(Date of birth: November 11, 1967)

Candidate for New Director

Candidate for External Director

Candidate for Independent Director

Career Summary / Positions and Responsibilities in the Company

Apr. 1991: Joined Mitsubishi Corporation
 Apr. 1999: Registered as a lawyer
 Joined Anderson, Mori & Tomotsune
 Jan. 2007: Partner, Anderson, Mori & Tomotsune [incumbent]
 Apr. 2007: Guest Associate Professor at Tokyo University Graduate School of Law
 Nov. 2012: External Audit & Supervisory Board Member, FAST RETAILING CO., LTD. [incumbent]
 Audit & Supervisory Board Member, UNIQLO CO., LTD. [incumbent]
 Jun. 2013: External Audit & Supervisory Board Member, The Asahi Shimbun Company
 Jun. 2019: Outside Director, Daifuku Co., Ltd. [incumbent]
 Apr. 2023: Management Committee Chair, Anderson, Mori & Tomotsune [incumbent]

- Number of shares of the Company owned 0 shares
- Number of years in office of the Company as External Director
- Number of meetings attended for the fiscal year ended December 31, 2025
- Board of Directors: -

Important Positions at Other Organizations Concurrently Held

(* indicates a listed company)

- Management Committee Chair, Anderson, Mori & Tomotsune
- External Audit & Supervisory Board Member, FAST RETAILING CO., LTD.*
- Audit & Supervisory Board Member, UNIQLO CO., LTD.
- Outside Director, Daifuku Co., Ltd.*

Reasons for Nomination of the Candidate for External Director and Outline of Expected Roles

Ms. Keiko Kaneko is a candidate for external director fulfilling the requirements set forth in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.

In addition to extensive experience and achievements in the field of global corporate law as a lawyer, she has gained deep expertise in management through participation in the management of her law firm. Furthermore, through her experience as an external director and external auditor for multiple companies, she has developed an appropriate understanding and insights into the challenges of global business expansion. By appointing her as an external director, we expect valuable advice and oversight regarding our corporate management, which will further enhance the effectiveness of the Board of Directors.

She has not been engaged in management of any companies or any positions other than an external director. For the reasons stated above, however, the Company is of the opinion that she would be able to adequately fulfill the role of an external director. Accordingly, the Nominating Committee has decided to newly select her as a candidate for external director. After appointment, she is expected to fulfill the aforementioned role as well as to fulfill the role as a member of the Audit Committee.

Based on her career stated in “Career Summary / Positions and Responsibilities in the Company” and other background, Ms. Kaneko has experience and expertise as follows:

Experience and Expertise of the Candidate



Corporate management experience



Legal affairs and risk management

Special Interest between the Candidate and the Company

Ms. Keiko Kaneko concurrently holds the office of Outside Director of Daifuku Co., Ltd. (“Daifuku”), with which the Company has the following transactions:

<Organizations at Which the Candidate Concurrently Assumes the Position of External Director>

Organization where Concurrent Position is Held	Transaction Matter, etc.	Vendor, Recipient of Supporting Money, etc.	Purchaser, Provider of Supporting Money, etc.	Percentage of Transaction Value	Value for Comparison
Daifuku Co., Ltd.	Purchase	Daifuku Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
				Less than 1%	Consolidated net sales of Daifuku Co., Ltd. for the fiscal year ended December 31, 2025



12. Takuya Nakata (Date of birth: June 8, 1958)

Candidate for New Director

Candidate for External Director

Candidate for Independent Director

Career Summary / Positions and Responsibilities in the Company

Apr. 1981: Joined Nippon Gakki Co., Ltd. (currently Yamaha Corporation)
 Jun. 2006: Executive Officer, Yamaha Corporation
 Jun. 2009: Director and Executive Officer, Yamaha Corporation
 Apr. 2010: President, Yamaha Corporation of America
 Jun. 2010: Senior Executive Officer, Yamaha Corporation
 Jun. 2013: President and Representative Director, Yamaha Corporation
 Aug. 2013: Chairman, Japan Musical Instruments Association [incumbent]
 Mar. 2014: Outside Director, Yamaha Motor Co., Ltd.
 Jun. 2015: Chairman, Yamaha Music Foundation [incumbent]
 Jun. 2016: Chairman, Foundation for Promotion of Music Education & Culture [incumbent]
 Jun. 2017: Director, President and Representative Executive Officer, Yamaha Corporation
 Apr. 2024: Chairman of the Board of Directors, Yamaha Corporation [incumbent]
 Jun. 2025: External Director, Nikon Corporation [incumbent]

- Number of shares of the Company owned
0 shares
- Number of years in office of the Company as External Director

Important Positions at Other Organizations Concurrently Held

(* indicates a listed company)

Chairman, Yamaha Music Foundation*

External Director, Nikon Corporation*

Chairman, Japan Musical Instruments Association

Chairman, Yamaha Music Foundation

Chairman, Foundation for Promotion of Music Education & Culture

- Number of meetings attended for the fiscal year ended December 31, 2025

Board of Directors: -

Reasons for Nomination of the Candidate for External Director and Outline of Expected Roles

Mr. Takuya Nakata is a candidate for external director fulfilling the requirements set forth in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.

He has diversified and broad knowledge in corporate management based on his extensive experience and achievements as a top executive of a globally operating listed manufacturing company, as well as experience in leading overseas operations as a head of overseas subsidiaries and in leading the establishment and operation of corporate governance systems. By appointing him as an external director, we expect valuable advice and oversight regarding our corporate management, which will further enhance the effectiveness of the Board of Directors.

For the reasons stated above, the Company is of the opinion that he would be able to adequately fulfill the role of an external director. Accordingly, the Nominating Committee has decided to newly select him as a candidate for external director. After appointment, he is expected to fulfill the aforementioned role as well as to fulfill the role as a member of the Nominating Committee and Compensation Committee.

Based on his career stated in “Career Summary / Positions and Responsibilities in the Company” and other background, Mr. Nakata has experience and expertise as follows:

Experience and Expertise of the Candidate



Experience as top management of a listed company



Corporate management experience



Experience in BtoC, neighboring industries



Brand marketing

Special Interest between the Candidate and the Company

Mr. Takuya Nakata concurrently holds the office of External Director of Nikon Corporation (“Nikon”), with which the Company has the following transactions:

<Organizations at Which the Candidate Concurrently Assumes the Position of External Director>

Organization where Concurrent Position is Held	Transaction Matter, etc.	Vendor, Recipient of Supporting Money, etc.	Purchaser, Provider of Supporting Money, etc.	Percentage of Transaction Value	Value for Comparison
Nikon Corporation	Outsourcing business, etc.	Nikon Group	Shiseido Group	Less than 1%	Total amount of cost of sales and selling, general and administrative expenses of the Company on a consolidated basis for the fiscal year ended December 31, 2025
				Less than 1%	Revenue of Nikon Corporation for the fiscal year ended March 31, 2025

Notes:

1. Conclusion of liability limiting agreement

The Company has entered into an agreement with Ms. Hiromi Anno, Ms. Mariko Tokuno, Mr. Yoshihiko Hatanaka, Ms. Yasuko Gotoh, Ms. Ritsuko Nonomiya, and Mr. Yasuhiro Nakajima to limit their liability for damages under Article 423, paragraph (1) of the Companies Act, based on the provisions of Article 427, paragraph (1) of the said Act and Article 27, paragraph (2) of the Articles of Incorporation of the Company. The limited liability amount for damages based on the agreement is the aggregate of the amounts provided in Article 425, paragraph (1) of the same Act. If this item of business is approved as originally proposed and they are appointed, the Company plans to renew the agreement with the same details. In addition, if this item of business is approved as originally proposed and Mr. Hitoshi Okamoto, Mr. Andrew House, Ms. Keiko Kaneko, and Mr. Takuya Nakata are appointed, the Company plans to enter into a new agreement with each of them with the same terms.

2. Execution of Directors and Officers Liability Insurance Agreement

The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The said insurance agreement shall cover damages including compensation for damages and legal expenses to be borne by the insureds. The candidates will be included as insureds in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal.

3. Independent Directors

The Company has designated Ms. Mariko Tokuno, Mr. Yoshihiko Hatanaka, Ms. Yasuko Gotoh, Ms. Ritsuko Nonomiya, and Mr. Yasuhiro Nakajima as Independent Directors prescribed in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange. Upon appointment at this General Meeting of Shareholders, the Company will once again designate all of these External Directors as Independent Directors. In addition, the Company will newly designate Mr. Andrew House, Ms. Keiko Kaneko, and Mr. Takuya Nakata as Independent Directors upon their appointment at this Annual General Meeting of Shareholders.

4. Number of shares of the Company owned by each candidate

The number of shares owned less than one hundred has been omitted, including those held through the Shiseido Board Members' Company Stock Ownership Association.

5. Facts regarding violations of laws, regulations, or the Articles of Incorporation, or other improper execution of business duties during the past five years at other companies where the External Director candidate served as a director or in a similar capacity

Yamaha Motor Co., Ltd., where Mr. Takuya Nakata served as an outside director until March 2025, announced in June 2024 that it had identified improper conduct in connection with its applications for type designation of motorcycles developed by the company. Although Mr. Nakata had not been aware of the said conduct until it was identified, as an outside director of the company, he had regularly provided timely and appropriate recommendations from the perspectives of legal and regulatory compliance. Furthermore, after the conduct was identified, he appropriately fulfilled his responsibilities by providing recommendations on a thorough investigation into the facts, strengthening internal controls to prevent recurrence, and further enhancing compliance.

- End -

Information on Other Matters Related to This Notice of Convocation of the Annual General Meeting of Shareholders on Our Corporate Information Website

The Company's Notice of Convocation of the Annual General Meeting of Shareholders is posted on our corporate information website (<https://corp.shiseido.com/en/ir/shareholder/>) and on the Japan Exchange Group's website (<https://www.jpx.co.jp/>) (Japanese and English).

1. On our corporate information website, the following are voluntarily disclosed by the Company in the column entitled "INVESTORS / General Meeting of Shareholders"
(<https://corp.shiseido.com/en/ir/shareholder/>)
2. Items voluntarily disclosed on our corporate information website relating to business report:
 - "Criteria for Independence of External Directors"
(<https://corp.shiseido.com/en/ir/governance/pdf/system01.pdf>)
 - "Criteria for Important Concurrent Positions Assumed by the Company's Directors"
(<https://corp.shiseido.com/en/ir/governance/pdf/system04.pdf>)
 - "Criteria for Stating the Relationship between the Company and the Organizations in Which the Company's External Directors hold Important Concurrent Positions"
(<https://corp.shiseido.com/en/ir/governance/pdf/system05.pdf>)
3. In cases that the attached documents and "Reference Document Concerning the General Meeting of Shareholders" are amended, the Company will announce the updated version on our following corporate information website.
(<https://corp.shiseido.com/en/ir/shareholder/>)