

On the Announcement of Shiseido's 2030 Medium-Term Strategy

Message from the Chair of the Board

Yoshihiko Hatanaka

Shiseido is now stepping into a new stage of growth. The newly announced Medium-Term Strategy serves as a strategic compass for shaping the company's future, and the Board of Directors fully endorses it. Building on the Action Plan 2025–2026 announced last year, we have taken the time to continuously ask ourselves what the next phase of growth for Shiseido should look like, engaging in extensive and thoughtful deliberation throughout the process. This strategy is the culmination of those efforts. We highly value how it clearly articulates how Shiseido's unique strengths will be leveraged to build competitive advantage, and how it demonstrates a strong and consistent commitment to growth, distinctly setting itself apart from past approaches.

The Board's Perspective on Growth

In reviewing the growth strategy, we have placed strong emphasis on the relationship between investment and return—particularly how to grow our existing key brands and what kinds of investments are required to do so. While not all details can be disclosed publicly, establishing a well-defined expansion strategy tailored to each brand's unique characteristics—across products, geographies, and categories—will be key to driving sustainable growth going forward.

We have also scrutinized the clarity of accountability within the global matrix organization to ensure the strategy is executed with precision. The Board has consistently called for tangible results, and we continue to seek clear explanations for both successes and areas where challenges remain. By clarifying who holds executional responsibility and what authority they possess, we expect to see further evolution in global management.

Moreover, even in an increasingly complex and rapidly changing market environment, it is essential that Shiseido remains anchored in its core strengths and competes based on its own unique value. While continuing to strengthen our leading brands, we must also boldly pursue new initiatives that respond swiftly to market shifts. The ability to balance these seemingly opposing forces is, in fact, a defining characteristic of Shiseido.

Successful execution of this strategy hinges on every employee embracing a clear and confident sense of hope for Shiseido's future—feeling pride in their role and a strong sense of purpose in contributing to it. Recognizing this, the Board has requested the management team to undertake

structured and ongoing communication efforts to ensure that the value and strategic direction are conveyed in a manner that promotes organizational alignment and employee engagement.

Execution and Oversight — Our Responsibility to Shape the Future

Looking ahead, the Board of Directors will oversee the execution of this strategy. We will monitor KPI progress with rigor, while maintaining strategic flexibility to recalibrate our plans when necessary—ensuring alignment with long-term value creation. Enhancing our ability to detect early signals and strengthening our organizational responsiveness to emerging trends are key priorities. Both the management team and the Board are focused on sharpening their sensitivity to relevant information to ensure timely and effective action.

Under the new Board structure, we aim to further strengthen our oversight function. The Board and executive team have continued to engage in robust and rigorous debate. Through such exchanges, the quality of dialogue has deepened, fostering a healthy tension and a foundation of mutual trust. United by a shared commitment to enhancing corporate value, we will continue to work together to shape Shiseido's future.

While business performance remains under pressure, the Board takes this situation very seriously. It is vital that we address immediate challenges while continuing to invest in the future, creating a sustainable cycle of appropriate allocation and reinvestment for growth. The Board places its trust in the CEO and the management team, and we will provide strong support to ensure the successful execution of this strategy.