

2025 Q3 Results (January–September) and 2025 Outlook

November 10, 2025

Shiseido Company, Limited

Kentaro Fujiwara
President and CEO

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

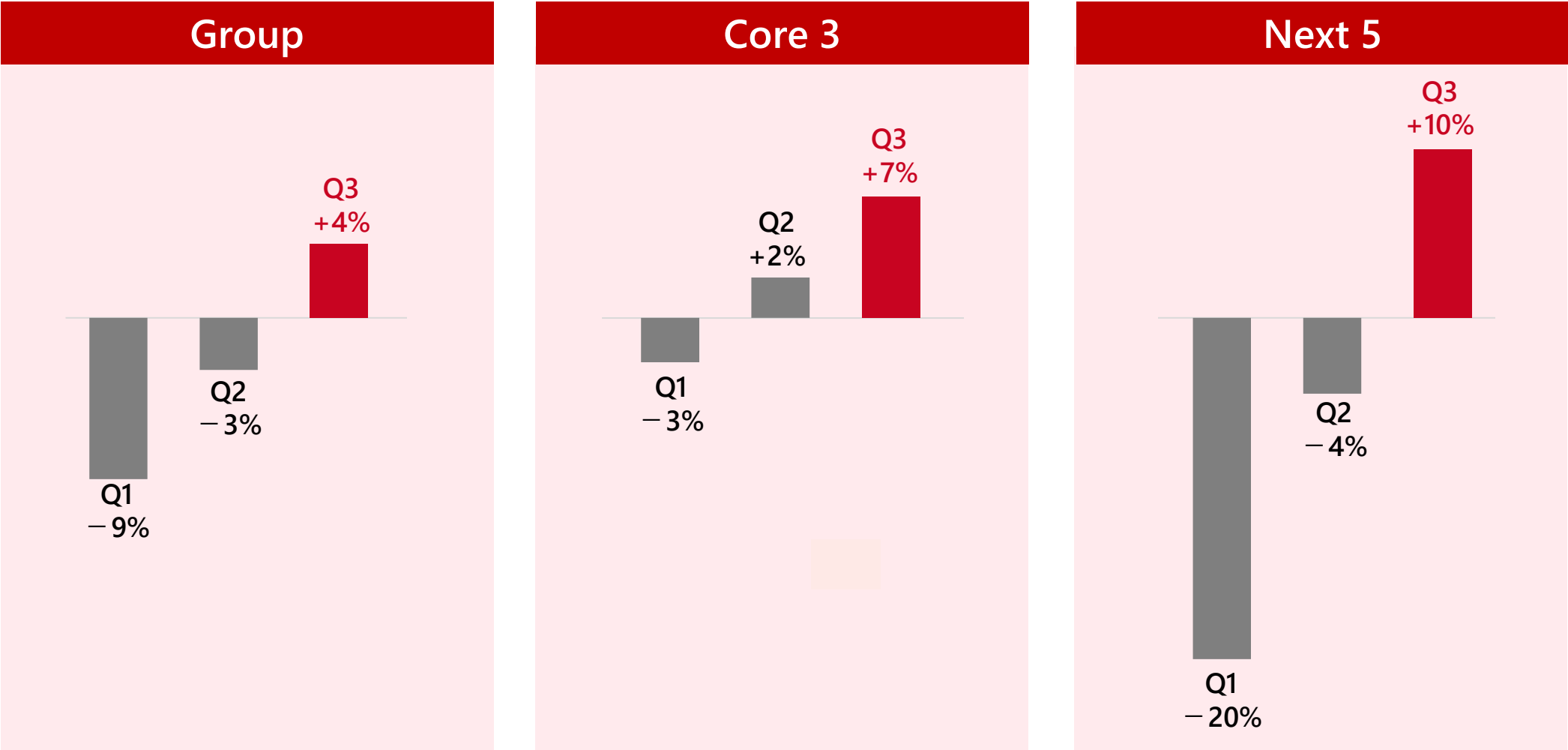
Where We Are Today and Where We Are Heading

Structural reforms was a foundation building process;
Shiseido is now decisively shifting towards a strong growth

- **Sales momentum: Returned to growth trajectory**
 - Impact from Travel Retail market contraction and the drop in *Drunk Elephant* sales has subsided
 - Achieved positive growth in Q3
 - Key brands and innovation are accelerating growth
- **Structural reforms: Bold execution to shape the future**
 - Early retirement program "Next Career Support Plan" at Global HQ
 - Marks the completion of all major initiatives under Action Plan 2025-2026;
On track to deliver benefits of ¥25.0 bn in 2026
- **Profitability / Cash generation: Reform and financial discipline bearing fruit**
 - Core operating profit exceeded ¥30.0bn in Q3 YTD; approaching full-year target of ¥36.5bn
 - Free cash flow for the year is expected to exceed initial expectations
- **Americas turnaround: Drive growth and profit recovery**
 - Recognized a goodwill impairment loss (non-cash)
 - Delivered tangible benefits of fixed cost reduction via structural reforms in July

Regained Momentum in Key Brands

2025 Net Sales YoY (LfL)*



* Like-for-like increase (decrease) in net sales excludes the impacts of foreign exchange translation and all business transfers in 2025 and 2024 as well as the services provided during the transition period, and the impact of sales prior to the acquisition of *Dr. Dennis Gross Skincare* in 2024 and its corresponding period in 2025 ("business transfers and acquisitions")
YoY change (%) for Core 3 and Next 5 brands is calculated based on foreign exchange rate assumptions at the beginning of each fiscal year which excludes impacts from FX fluctuations and other

Progress on Action Plan 2025-2026

Steadily building the foundation for sustainable growth

- **Global HQ: Revamp the organization for stronger strategic execution**

- Early retirement program "Next Career Support Plan": approx. 200 employees (est.), plan to recognize structural reform expenses of approx. ¥3.0 bn in non-recurring items in Q4
- Optimize organizational structure / employee productivity, investing in human capital

- **Reorganize subsidiaries: Drive group-wide efficiency unlocking synergies**

- Shiseido Interactive Beauty Company, Limited: JV ends in 2025; absorption into Global HQ planned in 2026
- SHISEIDO CREATIVE Co., Ltd.: operation transfer and absorption into Global HQ planned in 2026
- Japan Retail Innovation Co., Ltd: JV ends in 2025; dissolution and liquidation planned in 2026

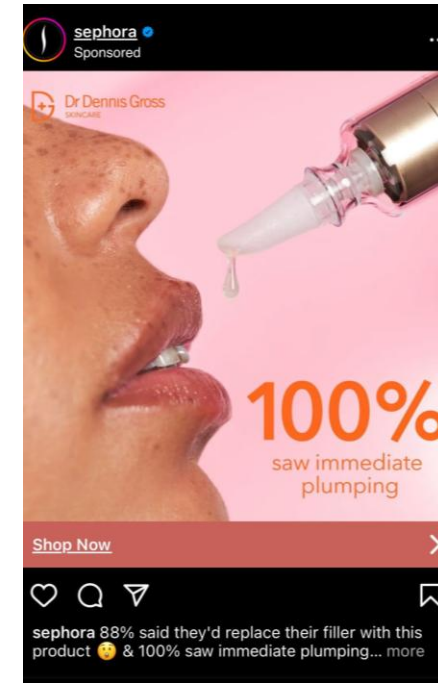
- **Enhance and centralize innovation creation and communication functions**

- Global R&D reorganization: Closure of Shiseido Asia Pacific Innovation Center and Korea Innovation Center
- Partial relocation of Art & Heritage functions from Kakegawa to Yokohama and Ginza*
Public exhibition functions at Corporate Museum and Art House in Kakegawa to be discontinued

Americas Business: Entering New Phase of Growth

Alberto Noe to officially assume CEO, transitioning from interim leadership

- *Drunk Elephant* turnaround
- Growth acceleration plan via innovation, expand distribution
 - *NARS*: Iconic product launches underway for 2026
 - Drive fragrance portfolio growth, with *Max Mara* as an additive boost
 - *Dr. Dennis Gross Skincare*: Strengthen partnership with key retailers
 - *SHISEIDO*: Leverage EMEA Success to Drive Americas Growth
- Driving synergies with EMEA to improve profitability
 - Consolidate media buying & agencies, streamline asset creation
 - Centralize indirect procurement
 - Optimize fragrance & R&D organizations



MaxMara



Drunk Elephant Turnaround

Advancing Inventory and Cost Optimization for Profit Recovery

CLARIFY BRAND DIFFERENCE



Launch disruptive & irreverent campaign balanced with clinical results, targeting elevated consumer (Jan '26)

REIGNITE BRAND LOVE



Drive engagement through brand ambassadors, partnerships & creator community to generate advocacy

REGAIN SKINCARE LEADERSHIP



Regain market leadership by unrivalled hero products

RETAILER PARTNERSHIP



Rebuild brand presence in key retail channels

2025 Outlook

Net Profit Target Cut on ¥46.8 bn Americas Goodwill Impairment; Core Operating Profit and Dividend Unchanged; FCF Ahead of Expectation

(Billion yen)	2024	2025 Previous Forecast (Feb. 2025)	2025 Revised Forecast	% of Net Sales	YoY Change	YoY Change %	YoY FX-Neutral %	YoY LfL ^{*1} %	Change vs. Previous
Net Sales	990.6	995.0	965.0	100%	− 25.6	− 3%	− 2%	− 1%	− 30.0
Core Operating Profit	36.4	36.5	36.5	3.8%	+0.1	+0%			-
Non-recurring Items	− 28.8	− 23.0	− 78.5	− 8.1%	− 49.7	-			− 55.5
Operating Profit	7.6	13.5	− 42.0	− 4.4%	− 49.6	-			− 55.5
Profit before Tax	− 1.3	14.5	− 42.0	− 4.4%	− 40.7	-			− 56.5
Profit Attributable to Owners of Parent	− 10.8	6.0	− 52.0	− 5.4%	− 41.2	-			− 58.0
EBITDA ^{*2}	89.6	90.5	90.0	9.3%	+0.4	+0%			− 0.5
Free Cash Flow	− 35.3	15.0	35.0	3.6%	+70.3	-			+20.0
Dividend (yen/per share) (Forecast)	40 Interim: 20 Year-end: 20	40 Interim: 20 Year-end: 20	40 Interim: 20 Year-end: 20						

2025 Full-year FX Assumptions (Revised) USD/JPY: 148 yen (− 2.3% YoY), EUR/JPY: 168 yen (+2.6% YoY), CNY/JPY: 20.5 yen (− 2.4% YoY)
(Previous) USD/JPY: 145 yen EUR/JPY: 155 yen CNY/JPY: 20.0 yen

*1 Excluding impacts from FX, business transfer and acquisition

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

Q3 2025 Executive Summary

(Billion yen)	Q3 YTD 2024	% of Net Sales	Q3 YTD 2025	% of Net Sales	YoY Change	YoY Change %	YoY FX-Neutral %	YoY LfL % ^{*1}
Net Sales	722.8	100%	693.8	100%	− 28.9	− 4%	− 3%	− 3%
Core Operating Profit	27.4	3.8%	30.1	4.3%	+2.7	+10%		
Non-recurring Items	− 25.2	− 3.5%	− 63.4	− 9.1%	− 38.2	-		
Operating Profit	2.2	0.3%	− 33.4	− 4.8%	− 35.5	-		
Profit before Tax	7.2	1.0%	− 32.5	− 4.7%	− 39.7	-		
Income Tax Expense	5.7	0.8%	11.5	1.7%	+5.8	+102%		
Profit Attributable to Owners of Parent	0.8	0.1%	− 44.0	− 6.3%	− 44.7	-		
EBITDA ^{*2}	67.3	9.3%	67.9	9.8%	+0.6	+1%		
Free Cash Flow	− 28.7	− 4.0%	31.6	4.6%	+60.3	-		

Net Sales: YoY LfL% ^{*1}	− 3%	Decreased YoY due primarily to sales declines in China & Travel Retail and <i>Drunk Elephant</i>
Core OP : YoY change	+¥2.7 bn	Increased thanks to structural reform benefits and accelerated global-wide cost management
Non-recurring Items : Q3 YTD 2025	− ¥63.4 bn	Recognized a goodwill impairment loss of − ¥46.8 bn in Americas, structural reform expenses One-off costs for early retirement program at Global HQ to be recognized in Q4
Free Cash Flow : YoY change	+¥60.3 bn	Improvement of working capital and review of capital investments; acquisition-related costs recognized in 2024

^{*1} Excluding impacts from FX, business transfer and acquisition

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

Core Operating Profit: Steady Fixed Cost Reduction Thanks to Structural Reforms

(Excluding Non-recurring Items)

(Billion yen)	Q3 YTD 2024	% of Net Sales	Q3 YTD 2025	% of Net Sales	YoY Change	YoY %	Pts Difference
Net Sales	722.8	100%	693.8	100%	-28.9	-4.0%	-
COGS	168.3	23.3%	160.9	23.2%	-7.4	-4.4%	-0.1pts
Gross Profit	554.4	76.7%	532.9	76.8%	-21.5	-3.9%	+0.1pts
SG & A	531.4	73.5%	506.6	73.0%	-24.8	-4.7%	-0.5pts
Marketing investments	199.4	27.6%	197.9	28.5%	-1.5	-0.8%	+0.9pts
Brand development / R&D	27.5	3.8%	26.1	3.8%	-1.5	-5.4%	-0.1pts
Personnel expenses*	174.4	24.1%	161.3	23.2%	-13.2	-7.6%	-0.9pts
Other SG&A	130.0	18.0%	121.3	17.5%	-8.7	-6.7%	-0.5pts
Other Operating Income / Expenses	4.4	0.6%	3.7	0.5%	-0.7	-15.1%	-0.1pts
Core Operating Profit	27.4	3.8%	30.1	4.3%	+2.7	+9.7%	+0.5pts

COGS : Better brand/product mix albeit *Drunk Elephant's* production decline

Marketing investments : Continued investments in key brands via selection and concentration

Personnel expenses* : Decreased by structural reform benefits in Japan, China & TR and Americas, etc.

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

* Including POS personnel expenses

Net Sales by Reportable Segment: Returning to Growth Trajectory

EMEA Strong Growth and China & Travel Retail Return to Growth

Like-for-like ^{*1}	2024 (vs. 2023)					2025 (vs. 2024)			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q3 YTD
Japan	+20%	+7%	+5%	+7%	+10%	− 2%	+2%	+2%	+0%
China & Travel Retail ^{*2}	− 14%	− 11%	− 23%	+2%	− 11%	− 14%	− 7%	+8%	− 6%
Asia Pacific	+5%	+7%	+2%	− 3%	+2%	− 1%	− 0%	− 2%	− 1%
Americas	+9%	− 20%	− 9%	− 7%	− 7%	− 19%	+4%	− 9%	− 9%
EMEA	+17%	+6%	− 7%	+16%	+8%	− 9%	+2%	+22%	+4%
Total	+3%	− 4%	− 8%	+4%	− 1%	− 9%	− 3%	+4%	− 3%

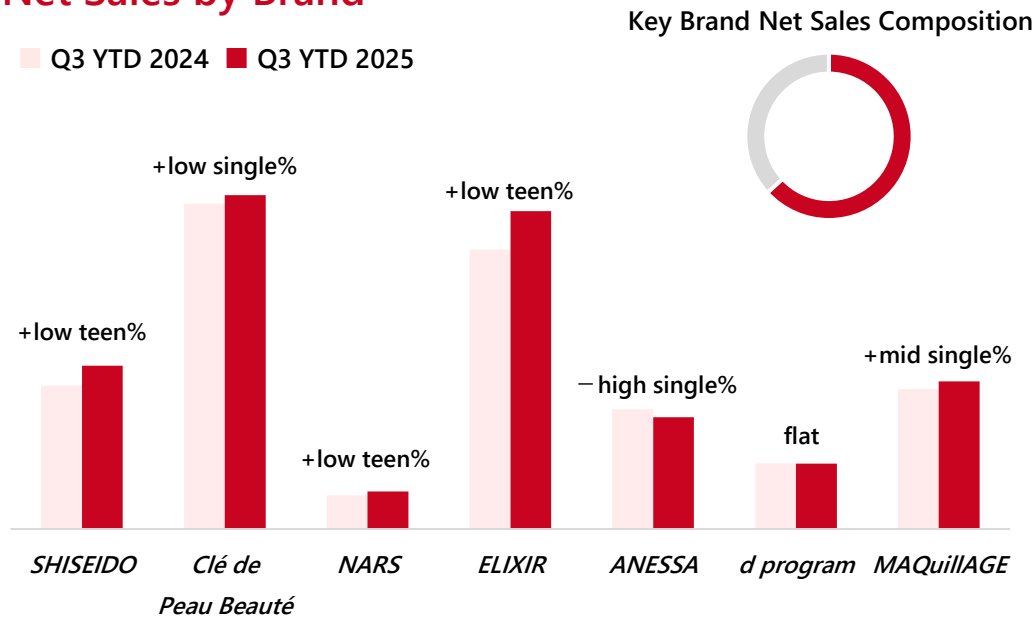
^{*1} Excluding the impacts of foreign exchange translation, business transfers and acquisitions

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

Japan: Innovation Across Key Brands Powers Growth

(Billion yen)	Q3 YTD 2024	Q3 YTD 2025	YoY Change	YoY %
Net Sales	218.8	219.1	+0.3	+0.3%*1
Core OP	16.2	27.9	+11.7	+72.0%
Core OPM	7.4%	12.7%	-	+5.3pts

Net Sales by Brand



Q3 Market

- Local: modest growth continued
- Inbound: moderate growth on the back of rising number of foreign visitors to Japan, albeit a sharp decline in department store channels

Q3 Consumer Purchases

- + Low single%; local core brands*2 drove growth, share expansion to continue
- Local: +mid single% EC: +mid 20%
New products from *ELIXIR*, *Clé de Peau Beauté* performed strongly
- Inbound: – low single%
Pullback before and after China’s promotion events, domestic-overseas price gap shrinks

Q3 YTD Net Sales & Core Operating Profit

- Strong profit growth from structural reform and higher productivity



Clé de Peau Beauté



ELIXIR

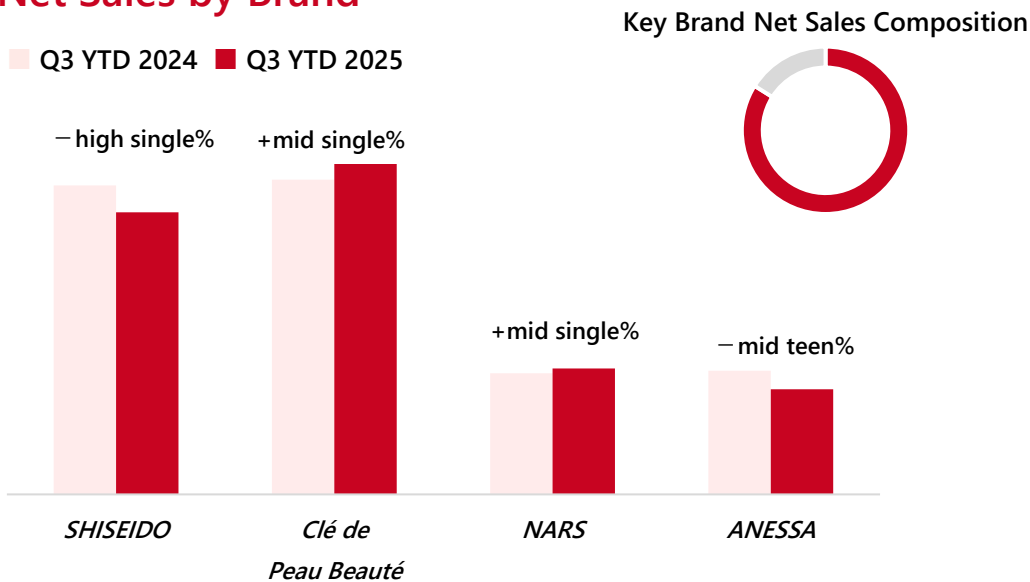
*1 Excluding the impact of business transfers *2 SHISEIDO, Clé de Peau Beauté, NARS, ELIXIR, ANESSA, d program, MAQuillAGE

China & Travel Retail: Net Sales Turned Positive in Q3 driven by *Clé de Peau Beauté* and *NARS*; Mainland China grew at Double Digit

Profitability Improvement Driven by Lower Fixed Costs and Strict Cost Control

(Billion yen)	Q3 YTD 2024	Q3 YTD 2025	YoY Change	YoY %
Net Sales	259.7	240.0	− 19.6	− 5.7%*
Core OP	49.6	46.7	− 2.9	− 5.9%
Core OPM	18.9%	19.3%	-	+0.4pts

Net Sales by Brand*1



Q3 Market

- China: prestige accelerated from Q2, a solid recovery trend
EC market drove growth with signs of recovery in offline channels
- Travel Retail:
 - Chinese tourist consumption remained stagnant
 - Market competition by promotional pricing intensified

Q3 Consumer Purchases

- China: +low single%
 - Offline: +low single%, EC: +low single%
 - *Clé de Peau Beauté* and *NARS* maintained strong growth momentum
 - *SHISEIDO* performed strongly in EC albeit YoY decline in offline
 - *ELIXIR*, *IPSA* returned to growth
- Travel Retail: − high teen%
 - Inventory discipline, traveler focus

Q3 YTD Net Sales & Core Operating Profit

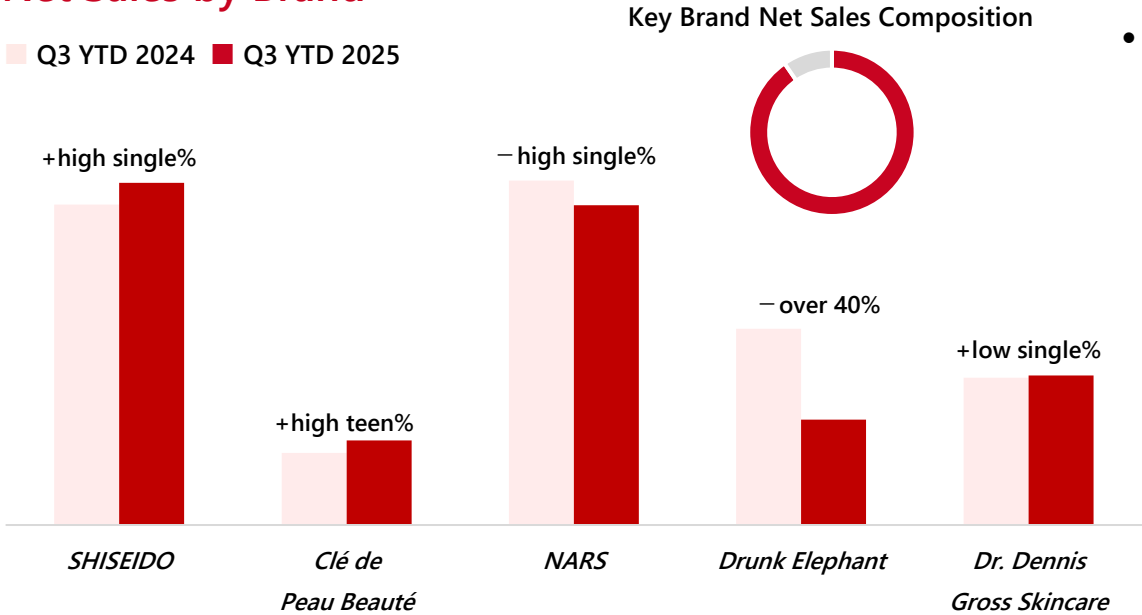
- Strong profitability secured via fixed cost reduction and cost discipline amid sales decline and adverse mix from Travel Retail contraction

* Excluding the impacts of foreign exchange translation and business transfers

Americas: Structural Reform Benefits Steadily Materializing; Strong Growth in *SHISEIDO* and *Clé de Peau Beauté*

(Billion yen)	Q3 YTD 2024	Q3 YTD 2025	YoY Change	YoY %
Net Sales	87.2	78.2	− 9.0	− 9.1%*1
Core OP	− 3.6	− 7.6	− 4.0	-
Core OPM	− 3.9%	− 9.3%	-	− 5.4pts

Net Sales by Brand*1



Q3 Market*2

- Maintained YoY growth, but fell short of expectations

Q3 Consumer Purchases*3

- low single%; returned to growth excl. *Drunk Elephant*
 - Drunk Elephant* continued to struggle, steady inventory clean-up
 - SHISEIDO*; strong performance from new products
 - Clé de Peau Beauté* demonstrated strength in base makeup

Q3 YTD Net Sales & Core Operating Profit

- Restructuring benefits: reduced personnel cost and other SG&A
- Stronger cost discipline partially offset the negative impact from lower sales, tariff and higher COGS due to lower *Drunk Elephant* production



SHISEIDO

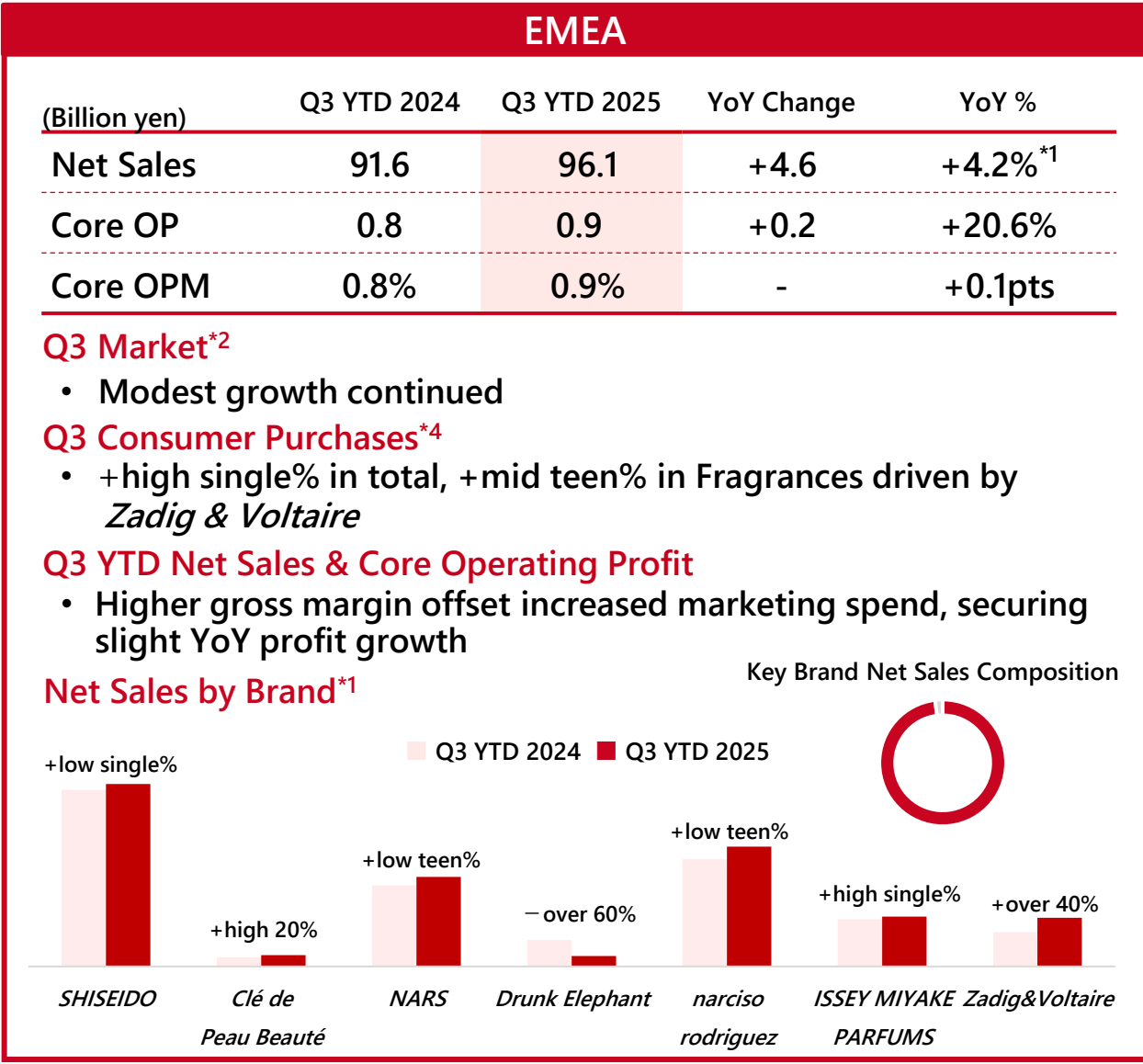
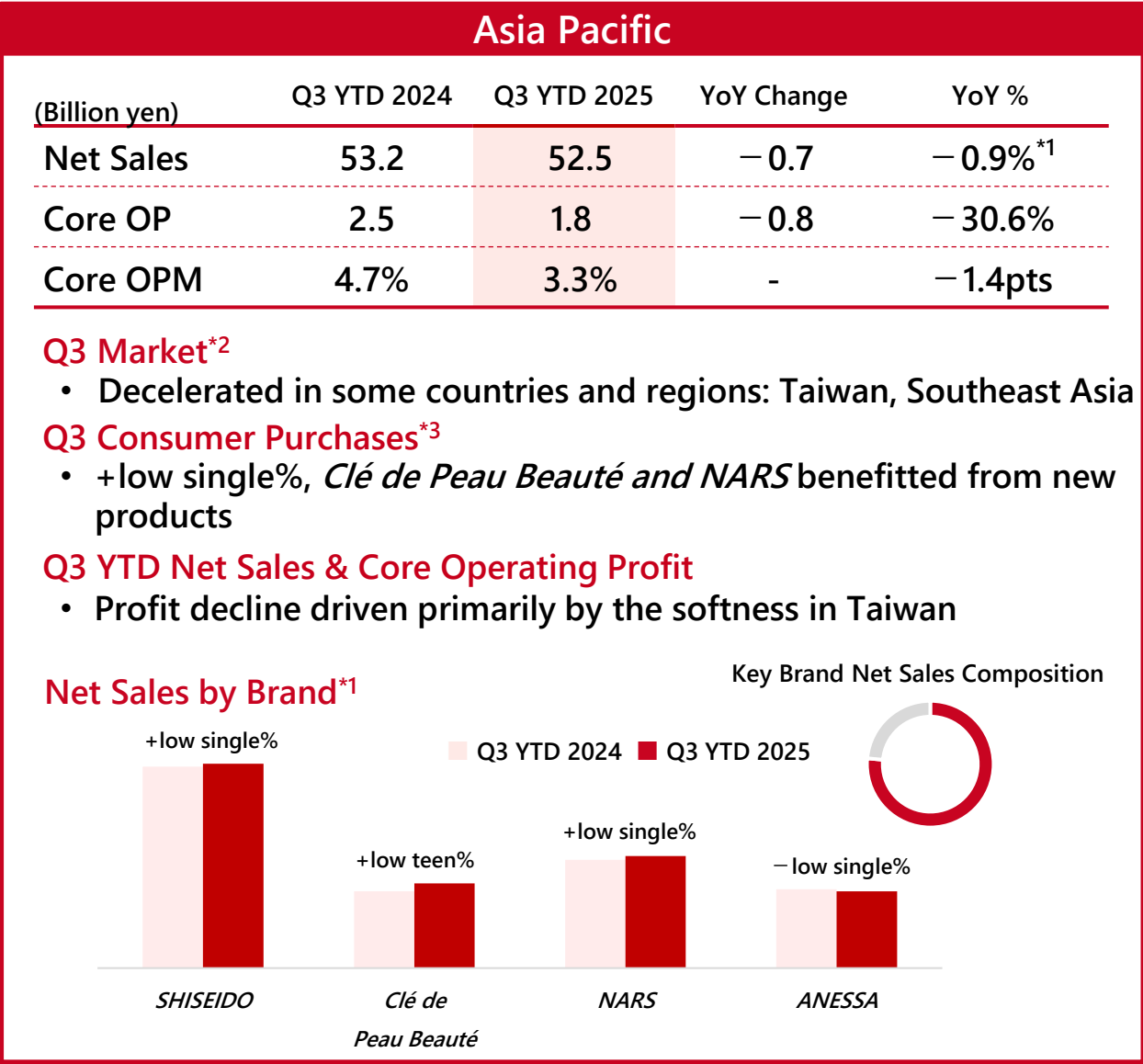


Clé de Peau Beauté

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

Asia Pacific: Market Contraction Continued, but Drove Share Gains by Innovation

EMEA: Fragrances Accelerated; Returned to Profitability with Strong Q3



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

*2 Prestige market

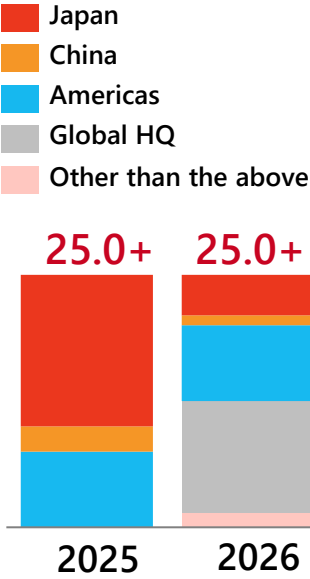
*3 Data coverage: 10 countries and regions in the Asia and Oceania regions including Taiwan, South Korea and Thailand

*4 Data coverage: France, UK, Germany, Italy and Spain

Progress on Global Cost Structure Transformation

Q3 YTD 2025: Realized ¥21.0 bn cost reduction benefits, on track with the plan;
¥25.0bn cost savings for 2026 secured with all key actions completed

				(Billion yen)	
			Q3 YTD	2025	2026
COGS	<ul style="list-style-type: none">• Selection and concentration of brands and SKUs, strategic price increases• Optimize factory production line efficiency, etc.	2.5	3.0	7.0	
Marketing investments	<ul style="list-style-type: none">• Optimize promotional costs, increase marketing ROI• Expand local production and operational efficiency of samples	1.5	2.0	1.0	
Personnel expenses	<ul style="list-style-type: none">• Optimize organization structure, improve productivity• Streamline corporate functions to enhance operational efficiency, etc.	13.0	15.0	8.0	
Other SG&A	<ul style="list-style-type: none">• Reduce outsourcing cost• Reduce depreciation: system optimization and integration, selective new investments• Other cost savings: logistics optimization, efficient office management, etc.	4.0	5.0	9.0	
Total		21.0	25.0+	25.0+	



2030 Medium-Term Strategy

November 10, 2025

Shiseido Company, Limited

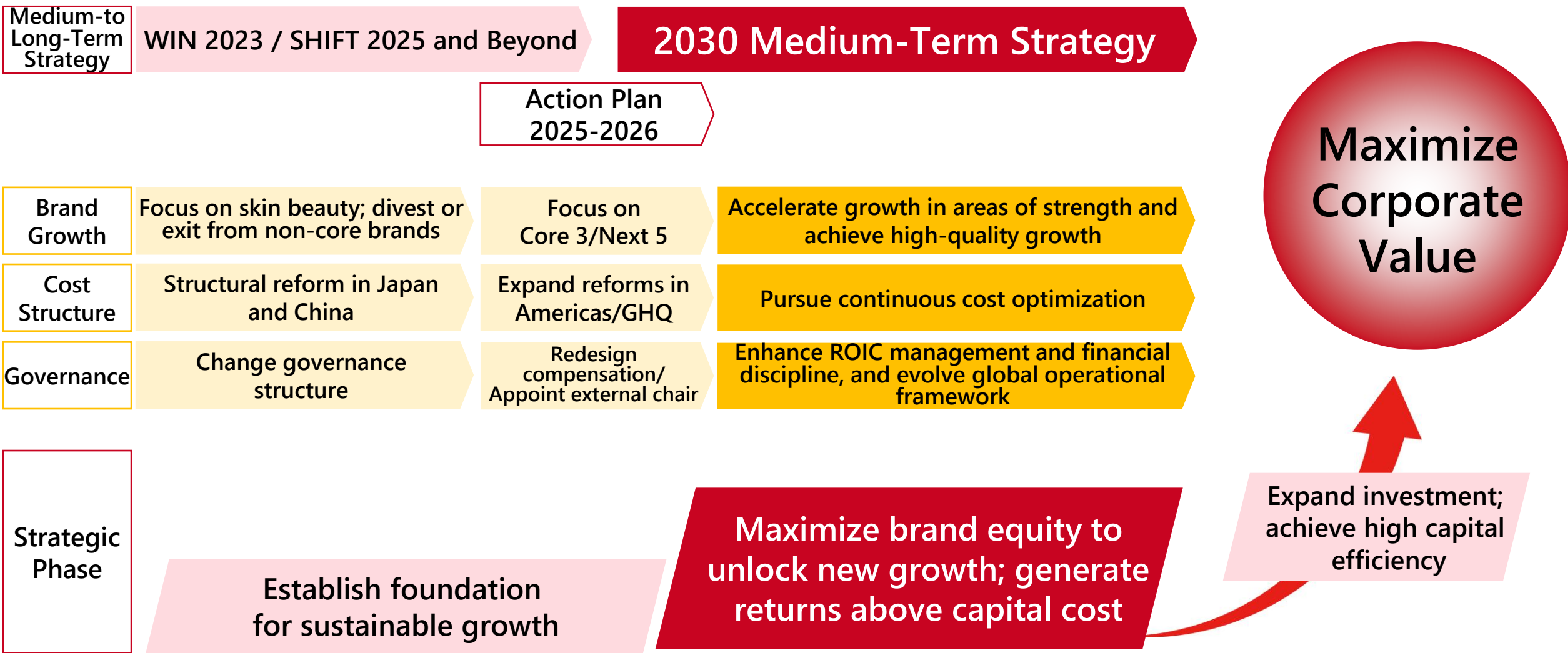
Kentaro Fujiwara
President and CEO

Ayako Hirofuji
Chief Financial Officer



2030 Medium-Term Strategy

Maximizing Brand Value for a New Growth Trajectory



Now is the Time - Because the World is Changing More than Ever...



Environmental Degradation

World's Aging Population



Shifts in Information & Communication by Digitalization

Lack of Emotional Fulfillment



Diversifying Beauty Needs

Changes in Social Connections with Divisions and Isolation



BEAUTY INNOVATIONS FOR A BETTER WORLD

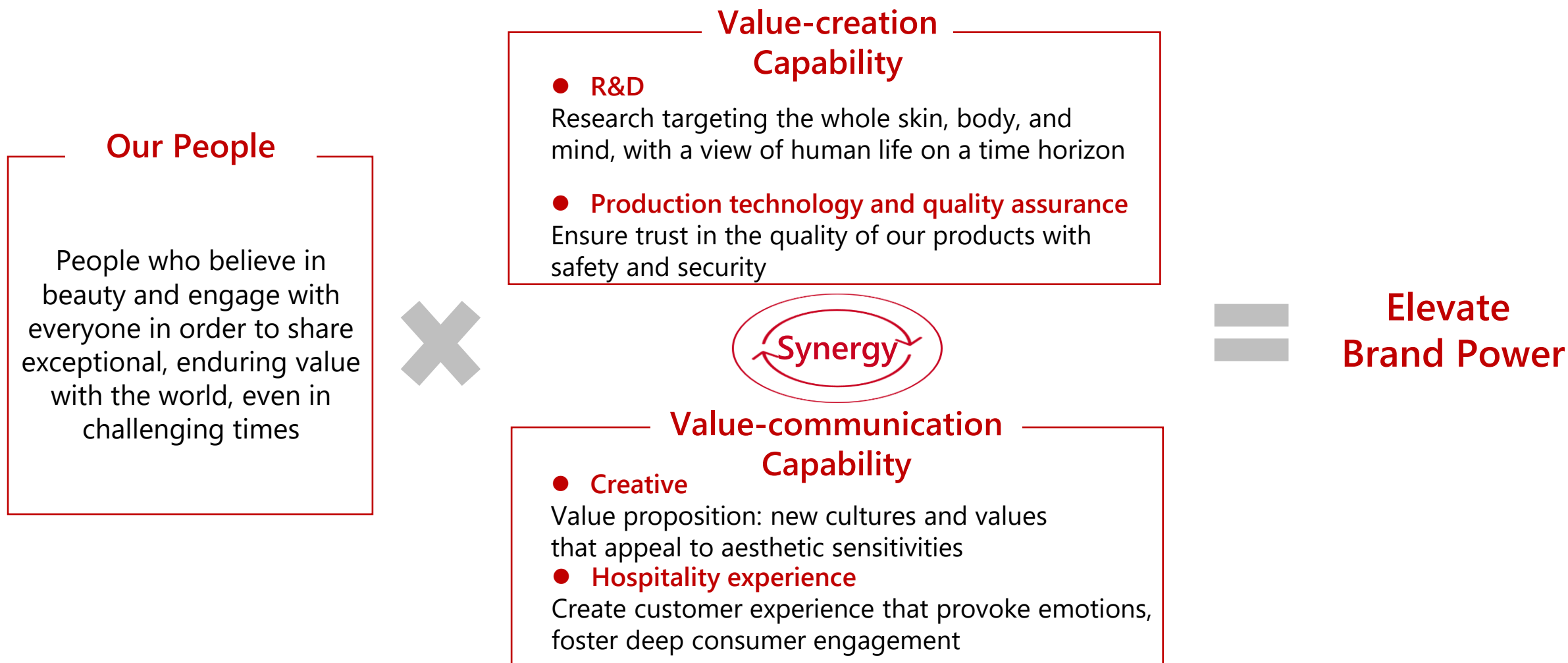
2030 VISION

**By connecting with people, we pursue, create, and
share new beauty, enriching everyone's lives**

一瞬も一生も美しく

In every moment, in every life
Beauty

Connecting Our People with Shiseido's Core Value, Maximize Strengths; Unlocking the Power of Our Brands

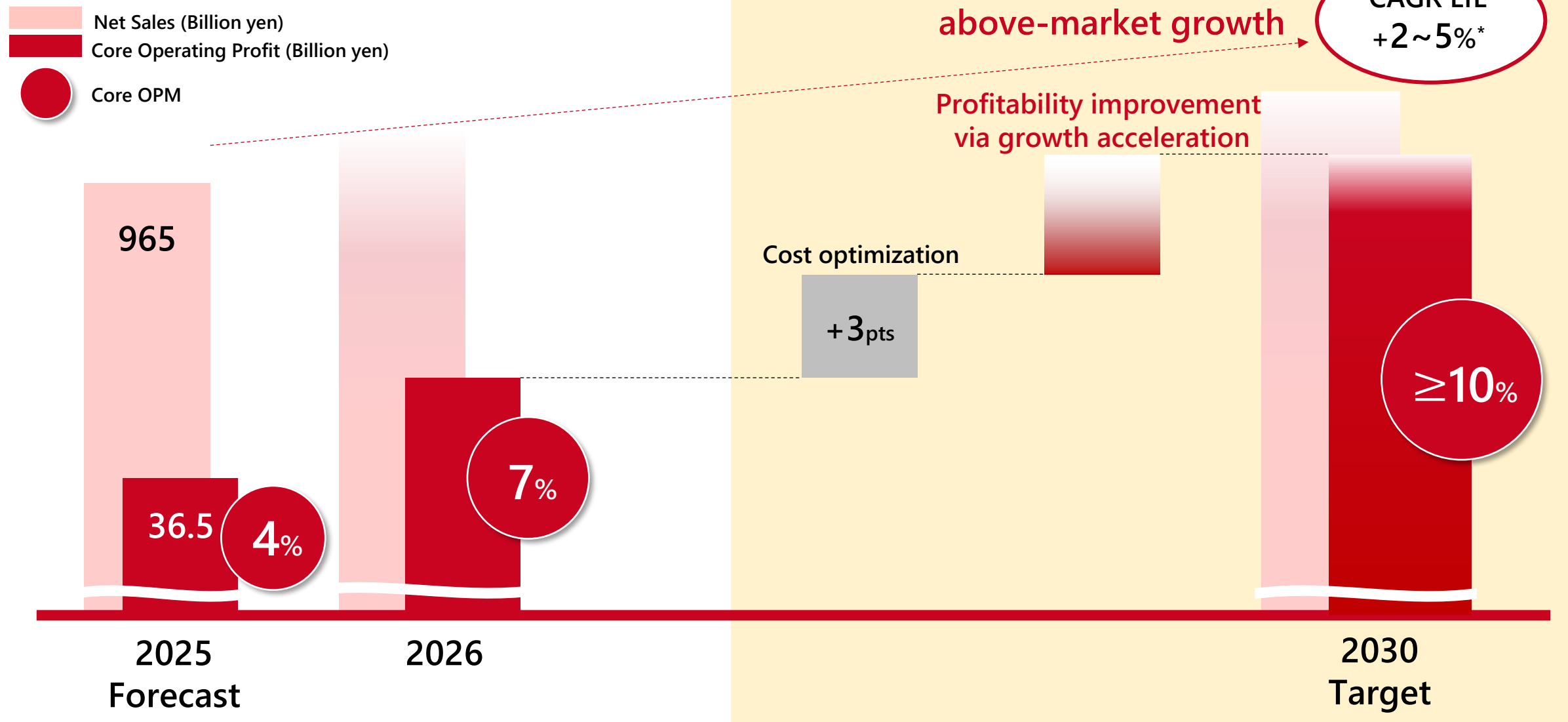


2030 Medium-Term Strategy Overview

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)					

Achieve Double-Digit Core OP Margin via Cost Optimization; Aiming to Boost Profit Recovery by Growth Acceleration



* 2025-2030 average; excluding impacts from FX

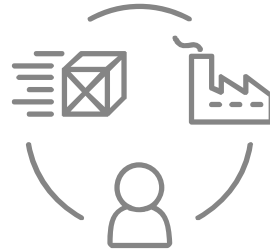
Strategic Pillar 1

Accelerate Growth with
Brand Power



Strategic Pillar 2

Evolve Global
Operations

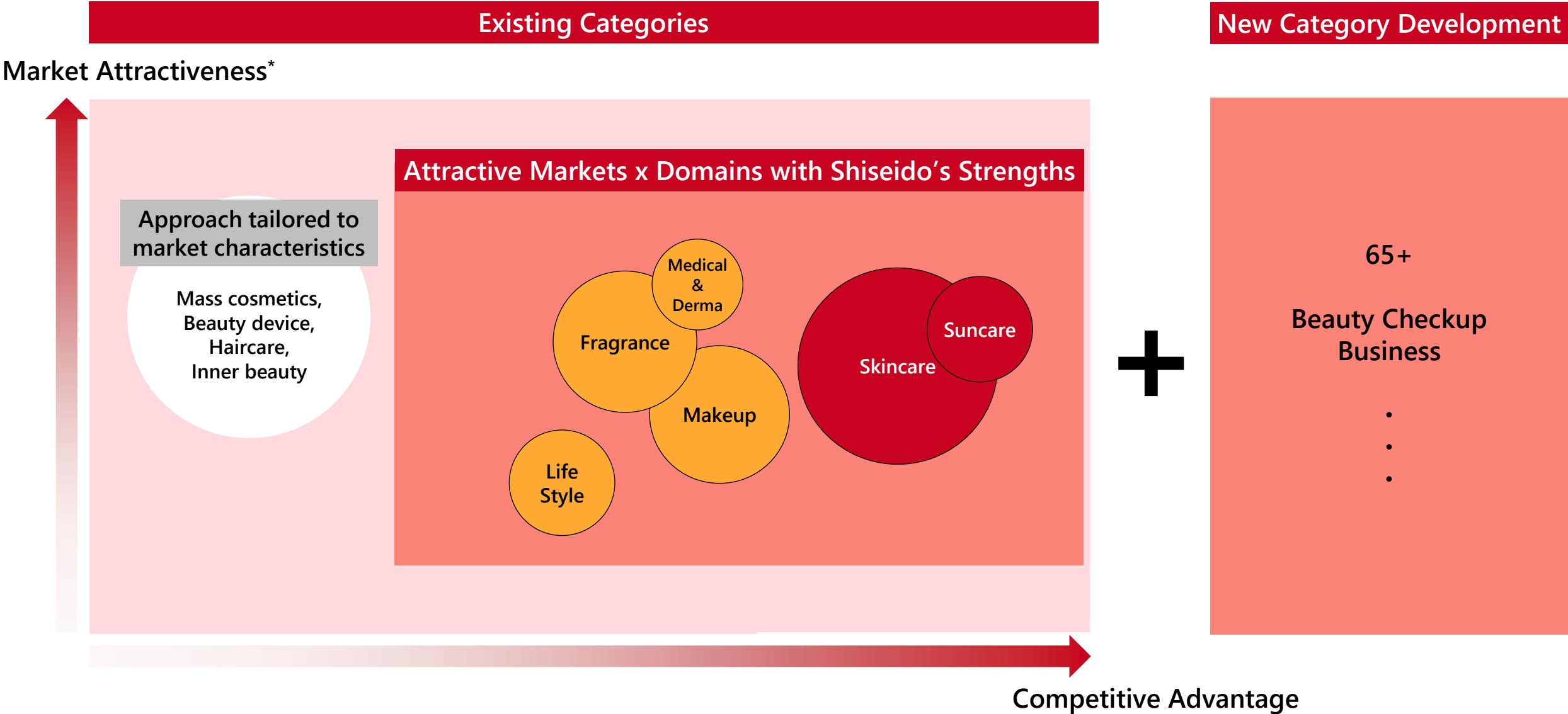


Strategic Pillar 3

Drive Sustainable
Value Creation



Identify “Where to Win” by Leveraging Our Competitive Advantage

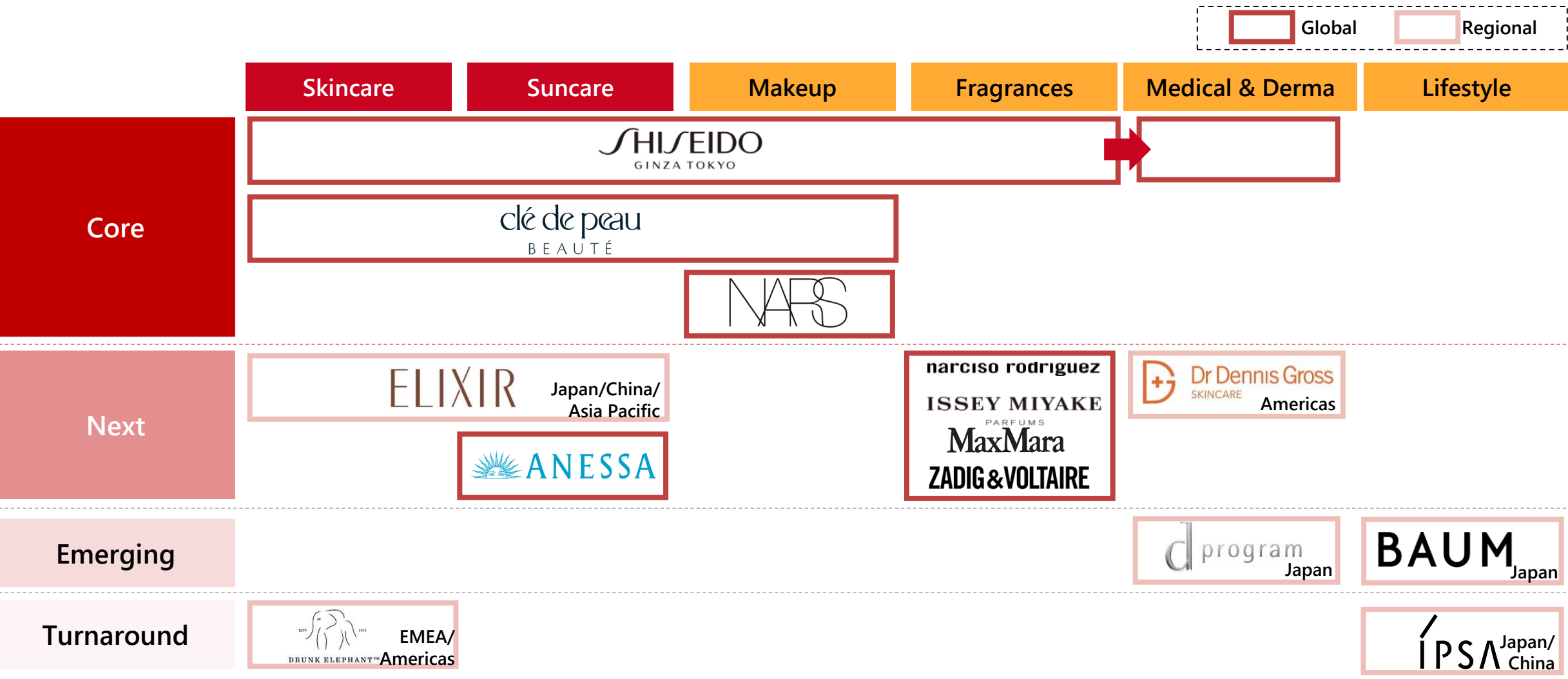


* Evaluated based on the median 2024-2030 CAGR of each category in Shiseido's key regions. Circle size reflects estimated market scale

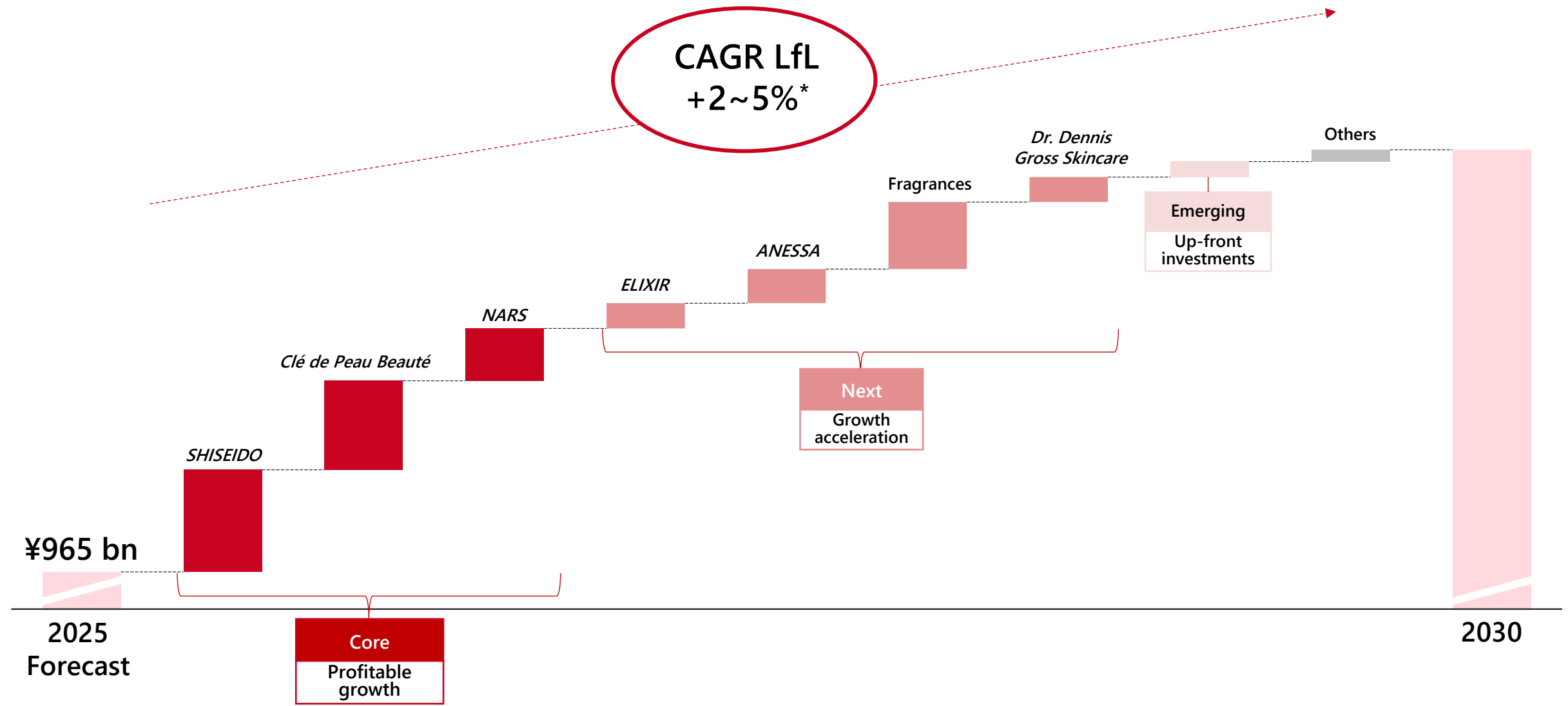
Define Category Strategies Aligned with Markets and Our Competitive Advantage

	Market Environment	Strategies and winners	Expect Growth potential
Skincare	<ul style="list-style-type: none"> ● Increased polarization ● Increasing needs for brands able to offer "intrinsic value" with a clear differentiator 	<ul style="list-style-type: none"> ● Maximize company-wide effects by focusing on overwhelming innovation ● Continuous creation of new categories in the anti-aging market 	Medium
Suncare	<ul style="list-style-type: none"> ● Increased awareness of UV and skin wellness ● Diversified options for use from outdoor leisure to daily UV care 	<ul style="list-style-type: none"> ● Further strengthen technology superiority, expand market-share in both suncare and skincare/makeup SPF categories ● Strengthen global market rollouts 	High
Makeup	<ul style="list-style-type: none"> ● "Skinification" trend continue to accelerate, infusing skincare functionality and efficacy with base makeup ● Rise of artistic/digital native brands along with maturing markets 	<ul style="list-style-type: none"> ● Leverage our technological strengths with skincare, amplify and foster hero products for each brand to win market share ● Strengthen value communication that embody brand philosophies 	Medium
Fragrances	<ul style="list-style-type: none"> ● Increasing needs for aesthetic sense, sensible stimulus, and self-expressions ● Emergence of niche brands with diverse characteristics, achieving growth ahead of conventional players 	<ul style="list-style-type: none"> ● Maximize global opportunities by shifting our strategic focus from EMEA to other regions ● Accelerate growth by enhancing our portfolio, with the addition of Max Mara from 2026 	High
Medical & Derma	<ul style="list-style-type: none"> ● Derma (dermatology) continues to permeate into society ● Increasing needs for pre-and post-treatment for medical beauty care 	<ul style="list-style-type: none"> ● Generate value from our cutting-edge technologies ● Drive growth not only by derma brands; Dr. Dennis Gross Skincare, d program but also by stretching product lines and concepts of core brands 	High
Lifestyle	<ul style="list-style-type: none"> ● Growing interest for self-experimental care model ● Propose a more comprehensive lifestyle 	<ul style="list-style-type: none"> ● Sharpen ideas as lifestyle brands, Expand space for retail layout 	High

Categories × Brands: Drive Growth by Establishing Strategic Brand Framework

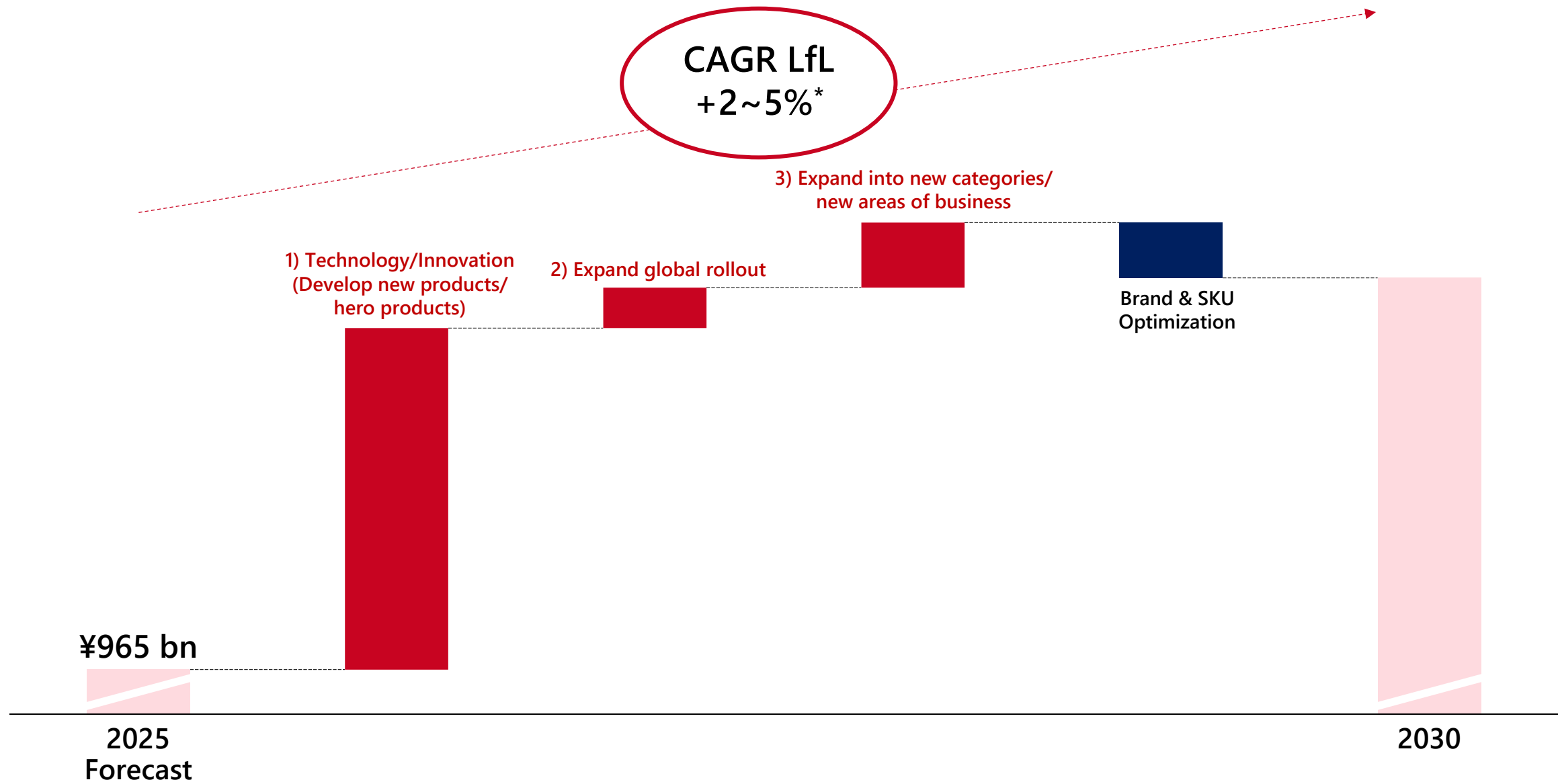


Clarify the Role of Brands: Ensure Strategic Alignment of Investment



* 2025-2030 average; excluding impacts from FX

Clear Growth Strategy in Place; Consistent Execution to Deliver Results



* 2025-2030 average; excluding impacts from FX


1) Maximize Innovation by Leveraging Technological Strengths

Brand Core


Sharpen brand value,
Build and foster customer loyalty

Company-Wide


Ensure seamless adoption of latest science and technology across brands,
company-wide commitment to create and foster new markets,
shifting towards a sustainable growth model




SHISEIDO
"Immunity inspired slow aging"



Clé de Peau Beauté
"Skin Intelligence"



NARS
"Skinification"



ELIXIR
"Collagen Science"



Dark Spots

Spots Lifecycle Science





Wrinkles

Retinol TripleLock Technology



Sagging

Anti-Gravity Science V





Suncare

Mineral i-Seal Technology;
Enhanced UV protection function





Makeup

Serum First Technology;
Convergence: skincare x makeup

:

Additional areas
for enhancement

New technology launches awaiting from 2026 onwards

A string of
new product launches
featuring
**≥10 leading-edge
technologies**
underway
by 2028

2) Accelerate Growth by Expanding Our Global Reach

Fragrances Tap into growth opportunities **in the Americas and Asia-Pacific**, amplify brand positioning beyond EMEA

narciso rodriguez MaxMara
ISSEY MIYAKE ZADIG & VOLTAIRE
PARFUMS

Suncare Leverage our competitive strengths with advanced technology and formulation technology
Capture growth opportunities in **Western markets**

SHISEIDO ANESSA
GINZA TOKYO

Skincare Offer unparalleled brand experience to affluent consumers around the world through prestige beauty brands

clé de peau
BEAUTÉ

3-1) Expand into New Categories: Medical & Derma, Lifestyle

Medical & Derma

Pursue collaboration with medical beauty market, growing into a business with >¥100 bn in sales in the future



SHISEIDO
Bio-Performance
Micro-Click Concentrate

Next-generation micro needles
Precise Delivery Technology
(Patent technology: presented at
the IFSCC Congress 2024)



Dr. Dennis Gross
SpectraLite™ FaceWare Pro

Utilize LED face mask featuring 100 lights
Effectively improve acne and wrinkles with
clinical results at home

Lifestyle

Push the boundaries of innovation
in skincare



BAUM, IPSA

Revamp into brands that fulfil skin, body, and mind,
elevate consumer experience beyond
the power of cosmetics

3-2) Expand into New Domains: Life Stage Partnerships, Beauty Checkup

Life Stage Partnerships Creating a market tailored to the skin needs of 65+



Based on millions of skin data points collected through in-store skin measurements, Shiseido elucidated the relationship between aging and change in skin quality for the first time in the industry

With a combination of Kansei engineering, Shiseido will “deliver “new value to experience benefits for the skin” for all age groups

Beauty Checkup Deliver a personalized solution that connects skin, body, and mind



With over 40 years of sensory research and joint research with academic institutions, Shiseido received CES Innovation Awards® for developing algorithm that measures the impact of walking posture on skin and mental well-being which elucidated the relationship between Skin, Body and Mind, successfully quantifying the five senses

Identify characteristics the skin that consumers are not aware of, to prevent skin troubles

3-3) Exploring New Business and Value Creation Models under the Direct Leadership of CEO

Co-creation with Consumers

R&D-driven

Consumer-driven

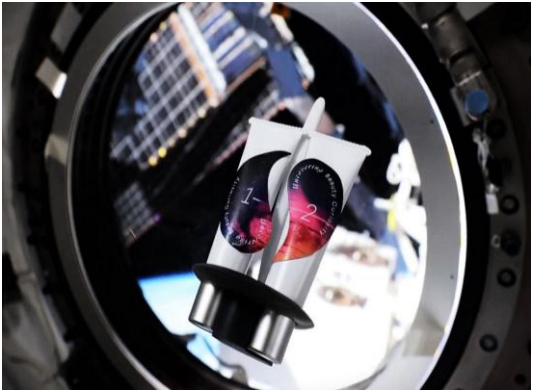


Turning researchers' inspirations into products through co-creation with consumers, guided by the concept of "Anti, Beyond, and Ultimate".



Starting from youth trends, co-develop products with partners to win Gen Z non-users

External Collaboration



Advancing the development of water-independent next-generation skincare in collaboration with JAXA



Creation of raw materials for de-fossil resources in algae by forming strategic partnership with biotech company CHITOSE Group

Enhance Value Communication: Build Deeper Connections with Consumers to Maximize Returns

Become a true partner who meets individual needs

INSPIRE Communicate brand stories and enhance creative capabilities

- Innovate brand narratives and deliver a consistent world view across all touchpoints
- Reintegrate the creative team at the core to enhance corporate-led creativity and heritage communication



EXCELLENCE Evolve experiences across physical and digital touchpoints to deepen consumer intimacy

- Enhance experiences across all touchpoints, including PBP/BC, offline channels, and social platforms
- Build deeper connection and trust through mutual communication
- Strengthen loyalty initiatives through integrated customer data



ENGAGE Drive value co-creation to discover and connect deeply with consumers

- Foster empathy through social activities in core brands
- Strengthen value co-creation with consumers and retail partners



CONNECT Translate unique insights from our innovative technologies into personalized value delivery

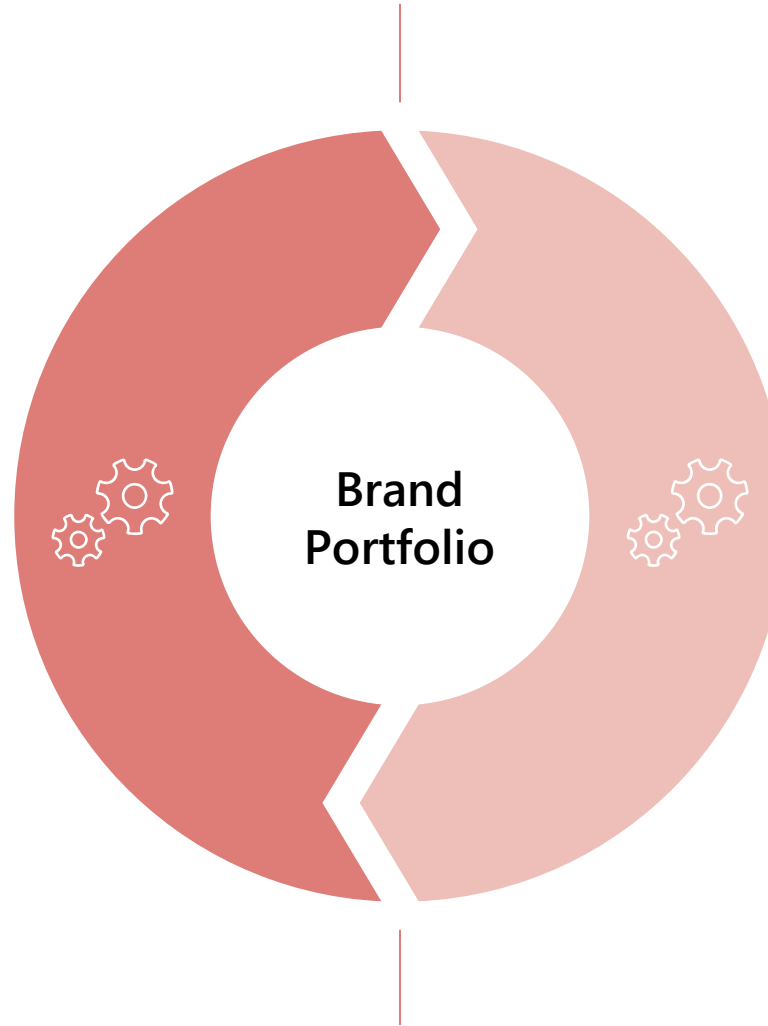
- Enhance beauty checkup technology and experience to build unique competitive advantage
- Leverage data and AI to their fullest potential



Optimize the Portfolio with Strategy and Discipline

Invest

- Focus on investing in existing key brands
- Identify opportunities with potential M&A in scenario: take proactive approach in areas to that need complementary strengths
- Drive sustainable growth underpinned by strategic and disciplined investment

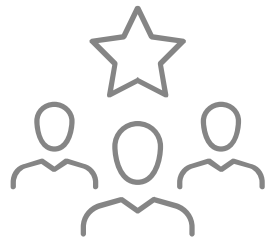


Divest

- Determine where to reduce or withdraw for each brand via Divestment Committee
- Conduct ongoing reviews on business value from ROIC and asset-management perspectives
- Optimize non-focus brands
Ensure overall efficiency

Strategic Pillar 1

Accelerate Growth with
Brand Power



Strategic Pillar 2

Evolve Global Operations

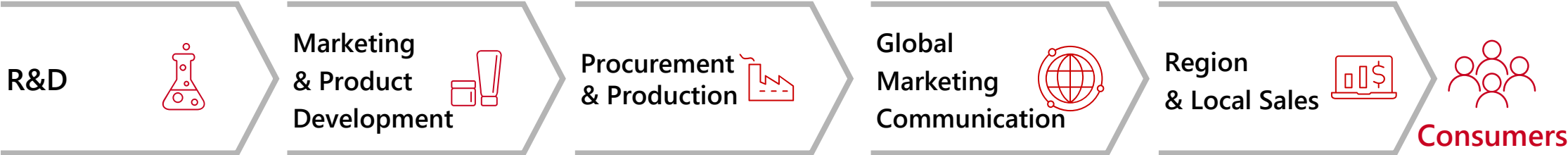


Strategic Pillar 3

Drive Sustainable
Value Creation



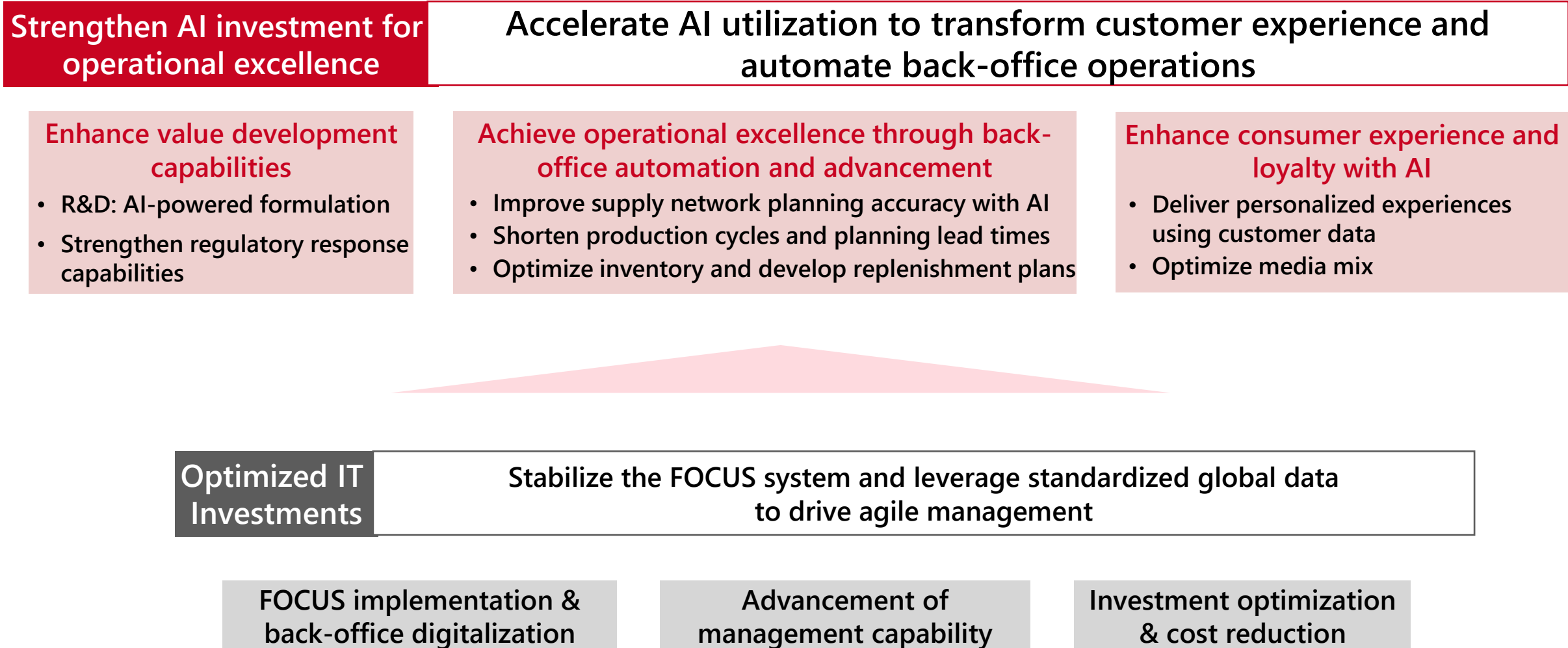
Value Chain: Pursue Operational Excellence Driving Global Optimization



Global Optimization		<ul style="list-style-type: none">• Reduce sample production costs• Centrally purchase media production• Improve efficiency by streamlining portfolio	<ul style="list-style-type: none">• Optimize number of brands and SKUs	<ul style="list-style-type: none">• Standardize media utilization across global markets• Leverage customer data for CRM strategy	<ul style="list-style-type: none">• Integrate inventory management and optimize freight costs
Lead Time Reduction	<ul style="list-style-type: none">• Reduce production lead time by optimizing product and packaging development		<ul style="list-style-type: none">• Optimize production and logistics• Shorten supply planning cycle		<ul style="list-style-type: none">• Streamline and optimize sales and demand planning processes

Drive Impact with Cross-Functional Collaboration across Borders

Digital and AI Strategy



Evolution of the Matrix Organization

Empower Functions and Drive Global Optimization For Agility

Current Issues

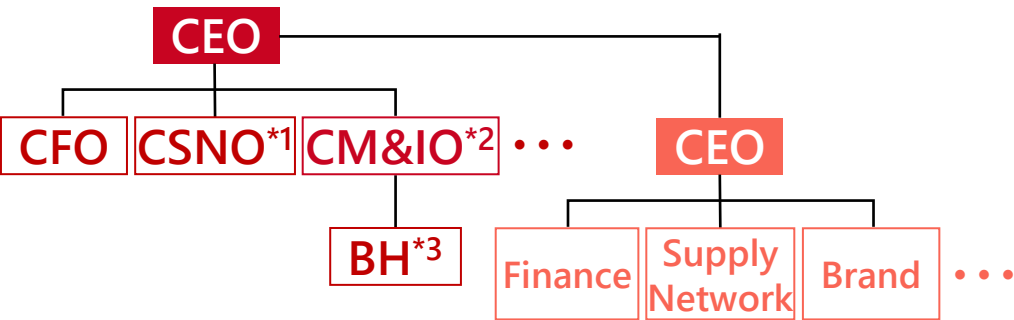
- Local optimization
- Unclear roles between global and regional HQs

Measures

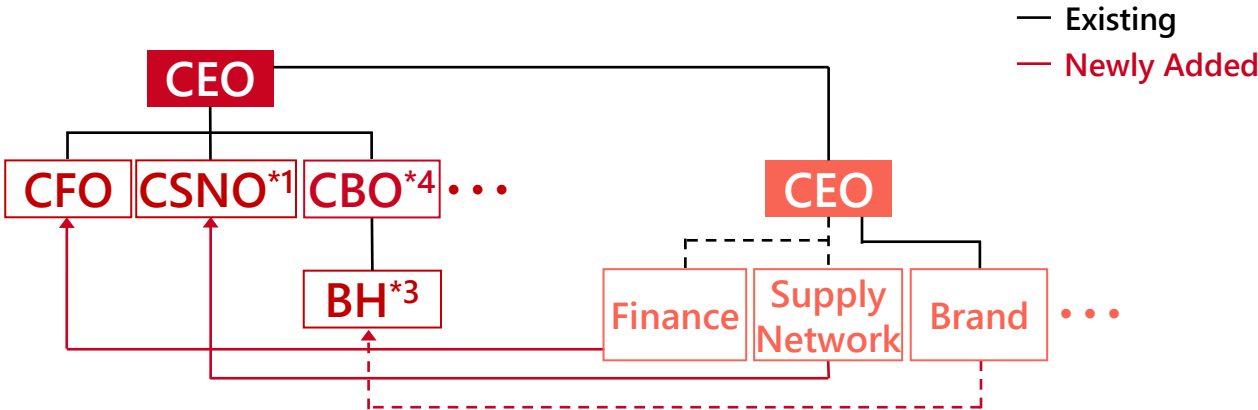
- Global optimization
 - Establish functional reporting structure across global and regional HQs; enhance clarity of HR decision authority
- Clarification of roles
 - Global HQ: Develop company-wide strategies to maximize corporate value and support regional execution
 - Regional HQ: Lead execution tailored to each market based on global strategies

Change in Reporting Line

<Before>



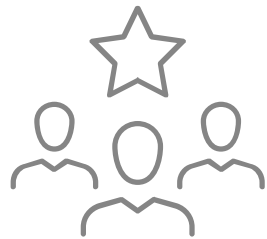
<After>



*1 Chief Supply Network Officer *2 Chief Marketing & Innovation Officer *3 Brand Holders *4 Chief Brand Officer

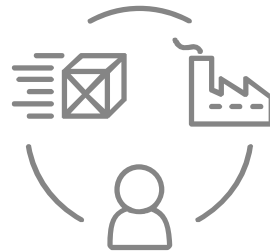
Strategic Pillar 1

Accelerate Growth with
Brand Power



Strategic Pillar 2

Evolve Global
Operations

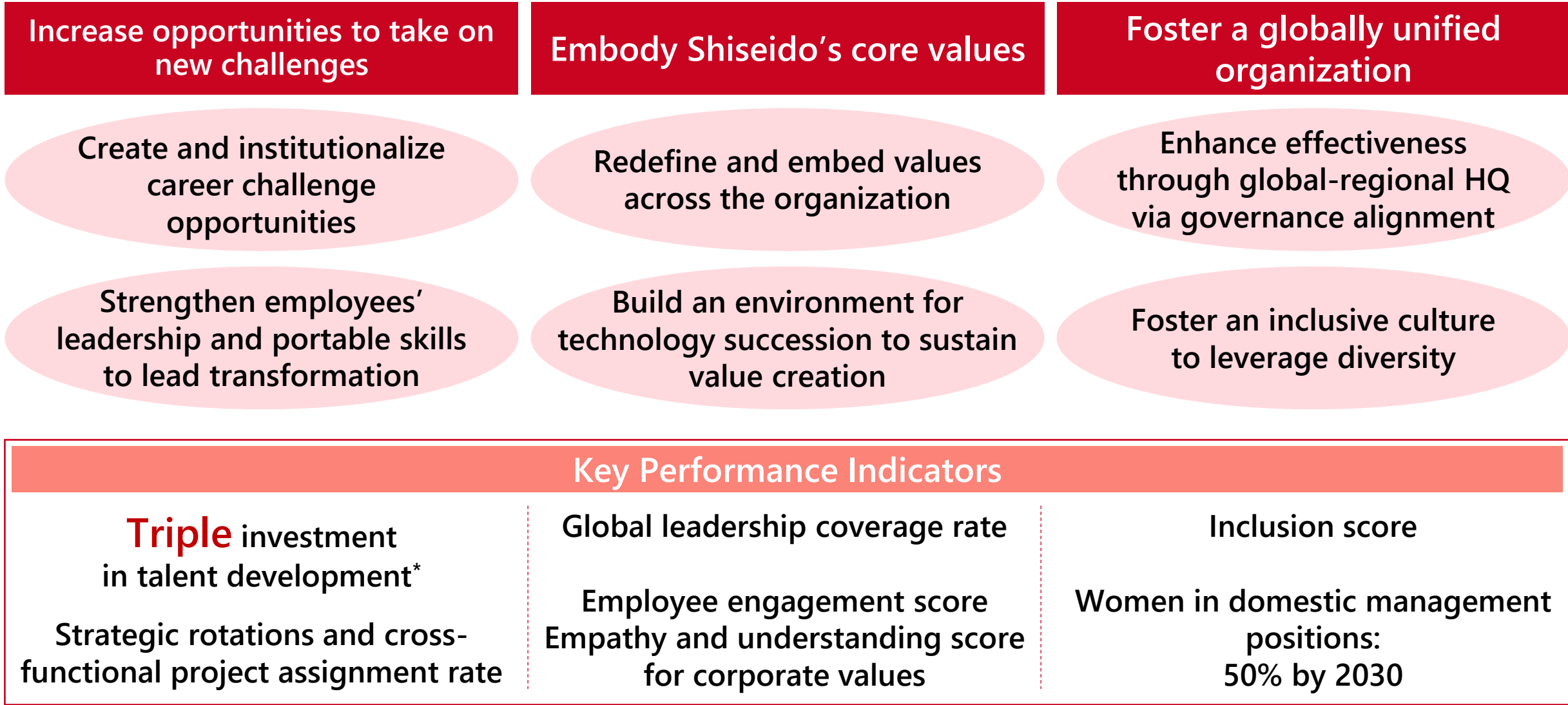


Strategic Pillar 3

Drive Sustainable
Value Creation



Talent Strategy: Building an Organization that Enables Employee Growth



* Investment in leadership development, including the promotion of global mobility; 2026-2030 total ÷ 5 years (annual average) = 3× 2025 level

Sustainability Strategy – Society: Create Social Value through DE&I

Embrace Diversity, Create A Society where All Shine



1. Gender Equality

- Support gender equality for 1 million people

- *Clé de Peau Beauté*: Support girls' education



- Shiseido DE&I Lab: Promote DE&I in Japan and contribute to economic growth

SHISEIDO DE&I Lab

2. Empowerment through Power of Beauty

- Support 1 million people to cultivate self-efficacy through our brand

- Shiseido Life Quality Makeup: Enhance QOL for individuals with serious skin concerns



- *ANESSA*: Promote children's holistic well-being through outdoor activities



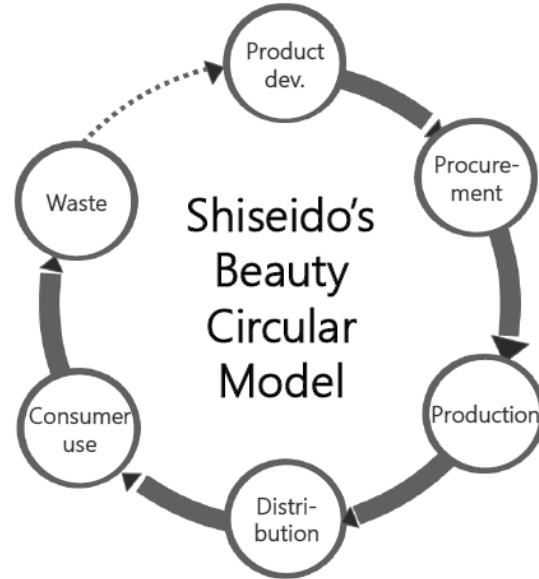
3. Respect for Human Rights

- Reduce risks through human rights due diligence and corrective actions

- Identify and address human rights issues through biennial assessments
- Engage with global experts and incorporate the latest insights

Sustainability Strategy – Environment: Tackle Environmental Issues

Transformation toward Circular Manufacturing



1. Reducing Our Environmental Footprint

- Climate change
 - CO₂ emissions reduced by 46.2% (SBTi, Scope 1+Scope 2)^{*1}
 - CO₂ emissions reduced by 55% (SBTi, Scope 3)^{*2}
- Water usage
 - 50% reduction in water consumption^{*3}

2. Developing Sustainable Products

- Eco-friendly materials
 - 90% circular raw materials
- Sustainable packaging
 - 15% PCR^{*4} / biomaterials
 - 20% reduction in virgin plastic

3. Promoting Sustainable and Responsible Procurement

- Procurement of raw materials in consideration of environmental and social issues
 - 100% responsible procurement^{*5}
- Supplier collaboration and management
 - Zero critical-risk suppliers

^{*1} At all our sites (compared to 2019) ^{*2} Throughout our value chain, excluding Shiseido sites, economic intensity target (compared to 2019)

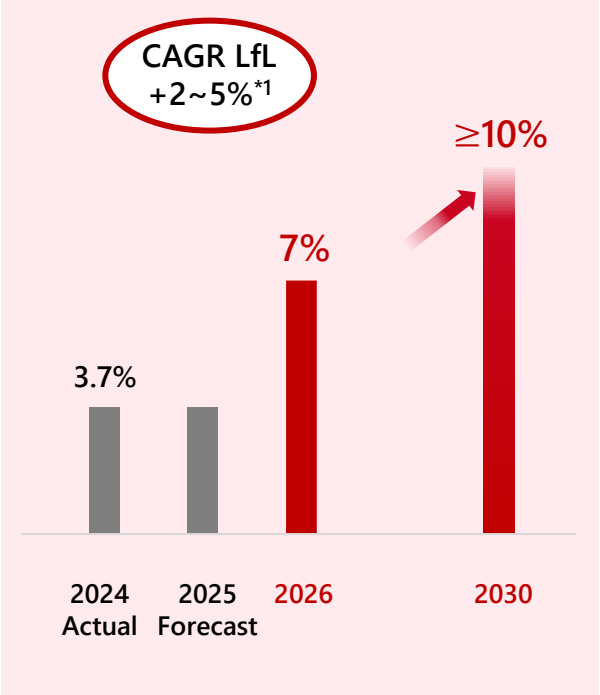
^{*3} Economic intensity across all our sites (compared to 2014) ^{*4} PCR: Post-Consumer Recycled ^{*5} key raw materials

Financial Strategy

Financial Goals: Achieve Above-Market Growth through Proactive Investment in Focus Areas and Ensure Returns Exceed Cost of Capital

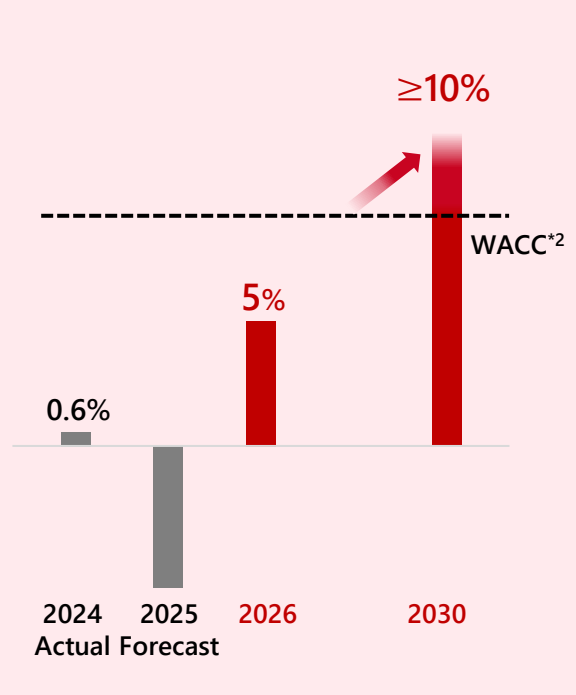
Profitability Target

Core OPM $\geq 10\%$

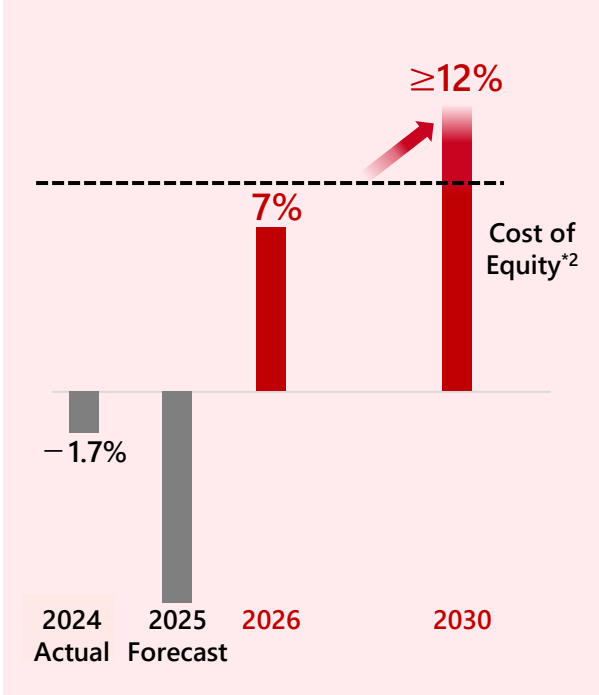


Capital Efficiency Targets

ROIC $\geq 10\%$

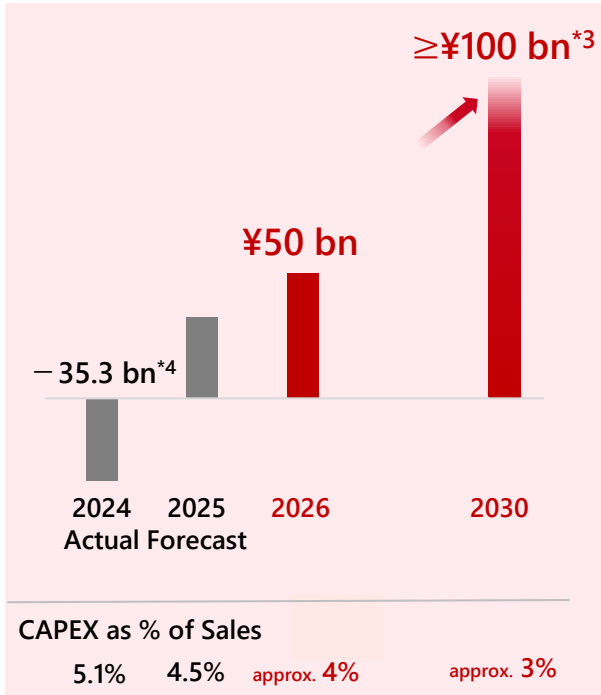


ROE $\geq 12\%$



Cash Generation Target

Free cash flow $\geq \text{¥}100 \text{ bn}^{*3}$








Lowering WACC

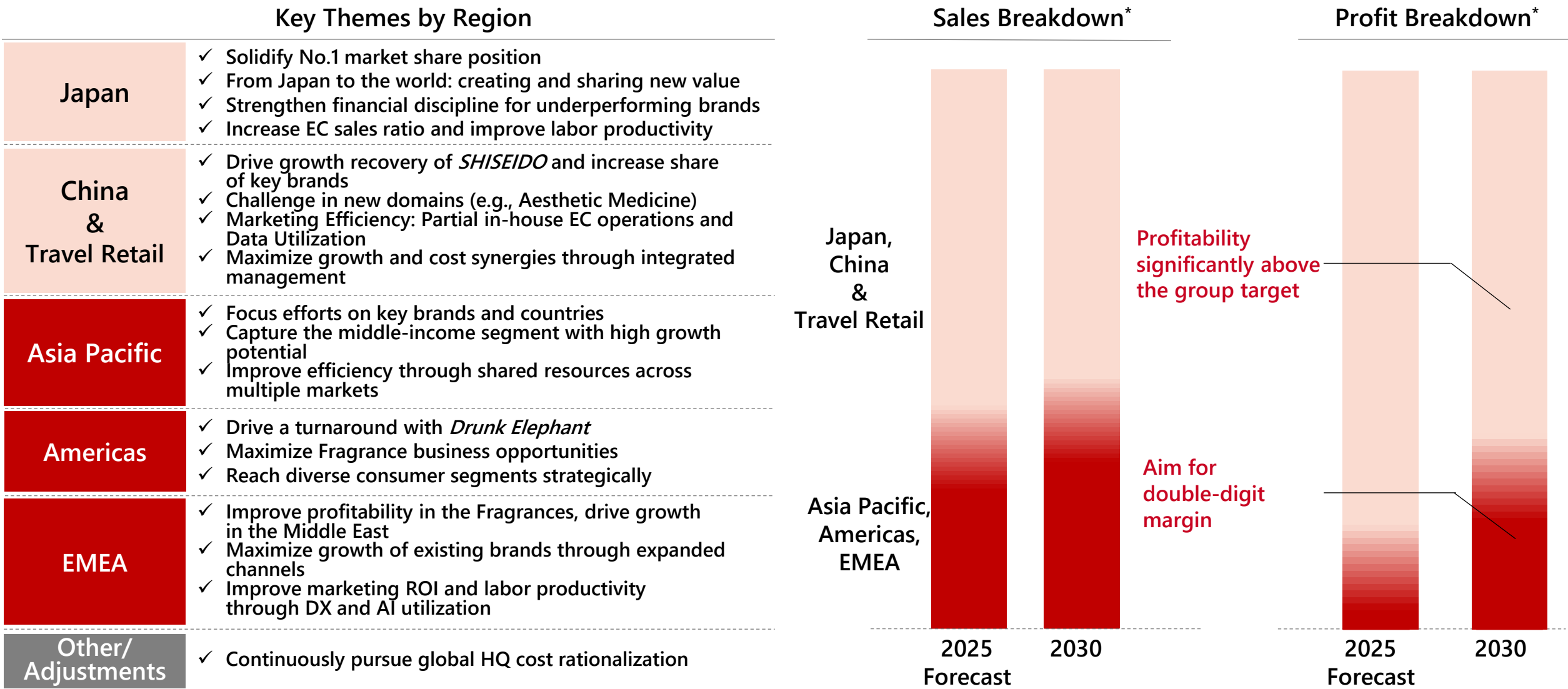
- ✓ Pursue optimal capital structure
- ✓ Stabilize share price by expanding individual shareholder base
- ✓ Enhance disclosure
- ✓ Strengthen sustainability management

*1 2025-2030 average; excluding impacts from FX *2 WACC and cost of equity based on internal assumptions
*3 Excludes cash outflows from M&A and cash inflows from asset sales *4 Includes the acquisition of Dr. Dennis Gross Skincare

Boost Sales Growth via Targeted Investments and Drive Cost Efficiency

	Change in % of Sales	Investment Strategies	Cost Optimization
COGS		<ul style="list-style-type: none"> Automation of production lines Sustainability promotion 	<ul style="list-style-type: none"> Optimization of production and logistics Streamline of brand and SKU mix Improvement of product, packaging, and raw material development and procurement processes Improvement of sales and demand planning processes
Marketing Investments		<ul style="list-style-type: none"> Core brands: Maintain stable growth and maximize returns Next global brands (Suncare, Fragrance): Maximize business opportunities through strategic investment and geographic expansion) Regional brands: Pursue high growth by expanding market share and improving profitability in each home market New domains: Proactively invest in future expansion Enhancement of customer experience and loyalty through AI 	<ul style="list-style-type: none"> Efficiency improvement in sample production Optimization of indirect procurement Enhanced portfolio management Asset sharing across brands and regions
Brand Development /R&D		<ul style="list-style-type: none"> Continued investment at approx. 3% of net sales Boost productivity in formulation development with AI 	<ul style="list-style-type: none"> Efficiency improvement by leveraging our robust technologies and sharpening brand value
Personnel Expenses		<ul style="list-style-type: none"> Development of global leaders Strategic talent assignment to capture growth opportunities Capability enhancement to create Shiseido's unique value 	<ul style="list-style-type: none"> Streamline corporate functions to enhance operational efficiency, etc. Rigorous personnel control
Other SG&A		<ul style="list-style-type: none"> Investment in digital and AI technologies 	<ul style="list-style-type: none"> Optimization of indirect procurement and reduction of outsourcing costs Reduction of freight costs through integrated inventory management

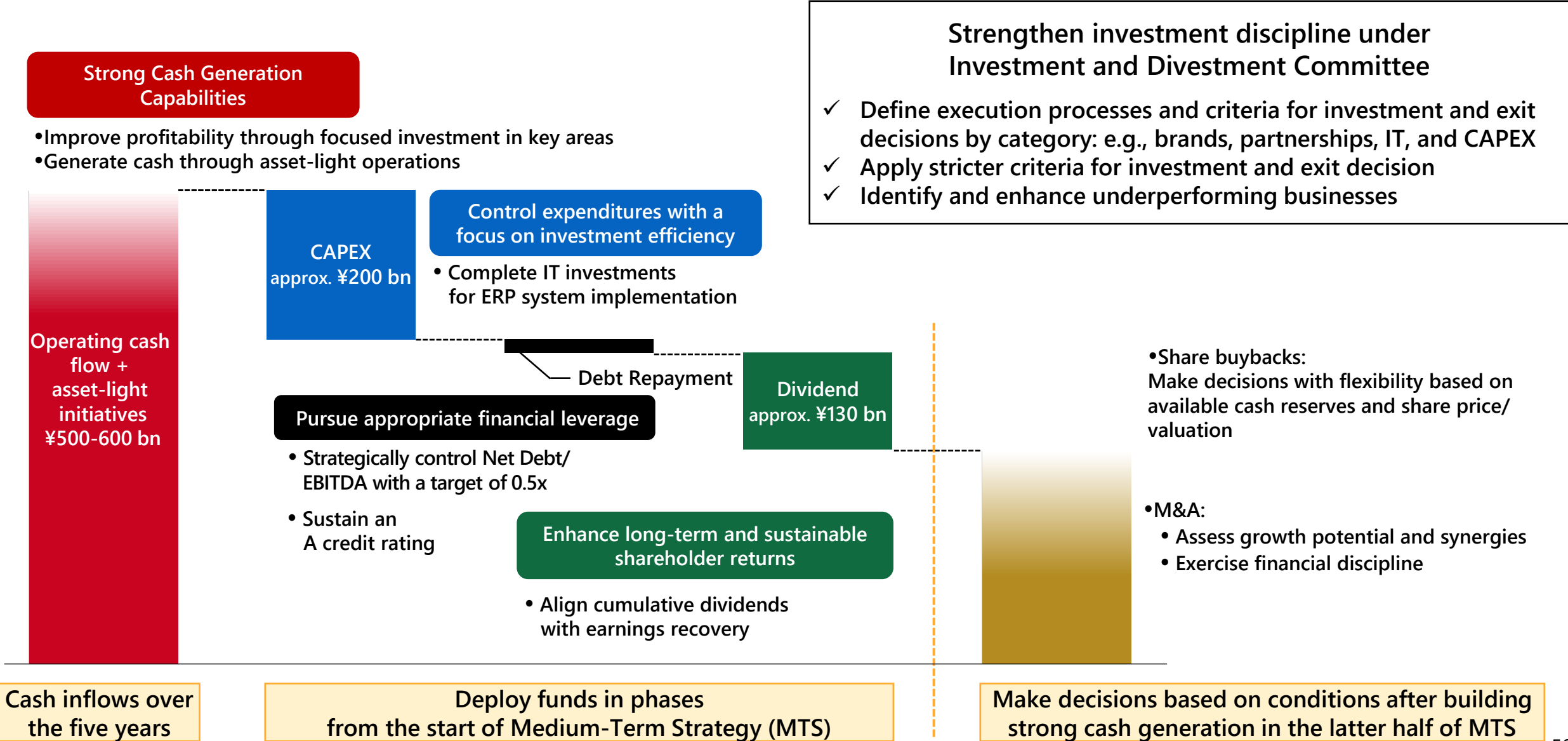
Drive Above-Market Growth and Profitability across All Regions; Strike a Balance in Regional Profitability



* Breakdown based on the total of the five regional segments, excluding "Other / Adjustments," set at 100%

Cash Allocation Strategy (Cumulative, 2026-2030)

Establish Robust Cash Generation to Strengthen Shareholder Returns and Fuel Growth



Drive ROIC improvement across the Organization

- ROIC-based long-term incentive compensation for all executives and eligible employees (from 2025)
- Operational KPIs linked to ROIC improvement into the individual performance evaluation for annual bonuses of all executives (from 2026)



Toward Sustainable Corporate Value Enhancement

一瞬も一生も美しく

In every moment, in every life
Beauty



Appendix

Supplemental Data 1:

Q3 Net Sales and Core Operating Profit by Reportable Segment*1

Top: Net Sales Bottom: Core OP (Billion yen)	Q3 2024	% of Net Sales/ Core OPM %*2	Q3 2025	% of Net Sales/ Core OPM %*2	YoY Change	YoY Change %	YoY FX-Neutral %	YoY LfL %*3
Japan	72.0	33.6%	73.2	32.7%	+1.2	+1.7%	+1.7%	+1.8%
	9.9	13.7%	8.4	11.5%	−1.5	−14.9%	-	-
China & Travel Retail	61.1	28.5%	66.1	29.5%	+5.0	+8.1%	+8.5%	+8.5%
	3.6	5.8%	7.9	11.8%	+4.3	+118.8%	-	-
Asia Pacific	18.8	8.8%	18.8	8.4%	+0.0	+0.2%	−2.1%	−1.6%
	1.7	8.9%	1.9	9.8%	+0.2	+10.9%	-	-
Americas	29.9	14.0%	26.7	11.9%	−3.2	−10.8%	−9.6%	−9.4%
	−1.1	−3.5%	−1.8	−6.4%	−0.6	-	-	-
EMEA	28.8	13.4%	36.6	16.3%	+7.9	+27.4%	+21.8%	+21.8%
	−1.3	−4.5%	3.5	9.2%	+4.8	-	-	-
Other	3.5	1.7%	2.5	1.1%	−1.1	−30.1%	−29.6%	−37.1%
	−0.1	−1.3%	−0.5	−18.6%	−0.5	-	-	-
Adjustments	-	-	-	-	-	-	-	-
	−4.6	-	−12.7	-	−8.1	-	-	-
Total	214.2	100%	224.0	100%	+9.8	+4.6%	+3.9%	+4.1%
	8.1	3.8%	6.7	3.0%	−1.4	−17.6%	-	-

*1 In 2025, we have implemented changes to segment reporting in order to have better grasp on profitability of each segment. For details, please refer to [news release published on March 28, 2025](#). The business results related to the operation of domestic sales by IPSA Co., Ltd. and the operation of sales of health & beauty foods, etc. by healthcare business previously included in the “Other” are now included in the “Japan Business.” 2024 results have been restated to reflect the changes

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

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

Supplemental Data 2:

2025 Q3 YTD Net Sales and Core Operating Profit by Reportable Segment^{*1}

Top: Net Sales Bottom: Core OP (Billion yen)	Q3 YTD 2024	% of Net Sales/ Core OPM % ^{*2}	Q3 YTD 2025	% of Net Sales/ Core OPM % ^{*2}	YoY Change	YoY Change %	YoY FX-Neutral %	YoY LfL % ^{*3}
Japan	218.8	30.3%	219.1	31.6%	+0.3	+0.1%	+0.1%	+0.3%
	16.2	7.4%	27.9	12.7%	+11.7	+72.0%	-	-
China & Travel Retail	259.7	35.9%	240.0	34.6%	-19.6	-7.6%	-5.7%	-5.7%
	49.6	18.9%	46.7	19.3%	-2.9	-5.9%	-	-
Asia Pacific	53.2	7.4%	52.5	7.6%	-0.7	-1.4%	-1.4%	-0.9%
	2.5	4.7%	1.8	3.3%	-0.8	-30.6%	-	-
Americas	87.2	12.0%	78.2	11.3%	-9.0	-10.3%	-8.1%	-9.1%
	-3.6	-3.9%	-7.6	-9.3%	-4.0	-	-	-
EMEA	91.6	12.7%	96.1	13.9%	+4.6	+5.0%	+4.2%	+4.2%
	0.8	0.8%	0.9	0.9%	+0.2	+20.6%	-	-
Other	12.3	1.7%	7.9	1.1%	-4.4	-36.0%	-35.6%	-29.2%
	0.1	0.8%	-1.4	-15.0%	-1.5	-	-	-
Adjustments	-	-	-	-	-	-	-	-
	-38.2	-	-38.2	-	-0.0	-	-	-
Total	722.8	100%	693.8	100%	-28.9	-4.0%	-3.2%	-2.9%
	27.4	3.8%	30.1	4.3%	+2.7	+9.7%	-	-

^{*1} In 2025, we have implemented changes to segment reporting in order to have better grasp on profitability of each segment. For details, please refer to [news release published on March 28, 2025](#). The business results related to the operation of domestic sales by IPSA Co., Ltd. and the operation of sales of health & beauty foods, etc. by healthcare business previously included in the "Other" are now included in the "Japan Business." 2024 results have been restated to reflect the changes

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

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

Supplemental Data 3: Net Sales by Brand

Core 3



YoY %
3Q
+6%
3Q YTD
-1%
% of Net Sales
23%



YoY %
3Q
+12%
3Q YTD
+ 5%
% of Net Sales
19%



YoY %
3Q
+2%
3Q YTD
+2%
% of Net Sales
12%

Next 5



YoY %
3Q
-19%
3Q YTD
-49%
% of Net Sales
2%



YoY %
3Q
+17%
3Q YTD
+14%
% of Net Sales
7%



YoY %
3Q
+6%
3Q YTD
-11%
% of Net Sales
6%



YoY %
3Q
+13%
3Q YTD
+4%
% of Net Sales
4%



YoY %
3Q
+16%
3Q YTD
-1%
% of Net Sales
2%

* YoY change (%) for each brand is calculated based on foreign exchange rate assumptions as at the beginning of 2025 which excludes the impacts of foreign exchange translation, etc. * % of net sales is cumulative basis for Q3 2025 57

Supplemental Data 4: Q3 Brand Sales by Region

YoY Change %*	Japan	China & Travel Retail	Asia Pacific	Americas	EMEA
SHISEIDO	+low 20%	+low single%	– mid single%	+high single%	+low teen%
Clé de Peau Beauté	+low single%	+high teen%	+high single%	+high teen%	+over 50%
NARS	– high single%	+low single%	+mid single%	– high teen%	+over 30%
Drunk Elephant				– low 20%	+high single%
ELIXIR	+mid teen%				
ANESSA	+high teen%	+high single%	– low 20%		
narciso rodriguez					+low 20%
ISSEY MIYAKE PARFUMS					+low teen%
d program	– high teen%				
MAQuillage	– high single%				
Dr. Dennis Gross Skincare				– low single%	
Zadig&Voltaire					+over 70%

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

Supplemental Data 5: Non-recurring Items

(Billion yen)	2024			2025		
	1H	Q3	Q3 YTD	1H	Q3	Q3 YTD
Core Operating Profit	19.3	8.1	27.4	23.4	6.7	30.1
Structural Reform Expenses	− 20.4	− 2.9	− 23.3	− 4.8	− 5.9	− 10.8
Impairment losses/reversals	− 0.1	0.3	0.2	− 0.0	− 51.2	− 51.2
Gain on Sale of Non-current Assets	0.7	− 0.0	0.7	-	-	-
Acquisition-related Costs	− 0.3	0.0	− 0.3	− 0.0	0.0	− 0.0
One-time Costs Related to Internal System Changes	− 1.0	− 0.2	− 1.3	− 0.0	0.0	− 0.0
Other	− 0.9	− 0.4	− 1.3	− 0.4	− 1.1	− 1.5
Non-recurring Items	− 22.0	− 3.2	− 25.2	− 5.3	− 58.1	− 63.4
Operating Profit	− 2.7	4.9	2.2	18.1	− 51.4	− 33.4

Supplemental Data 6: Overview of Assets Associated with Key M&A Transactions

● Americas Business

➤ Goodwill impairment

- Recognized an impairment loss of on goodwill of ¥46.8 bn in Q3 2025 due to the declined profitability in the Americas
- *Drunk Elephant* : focus on optimizing inventory in 2025, aiming for a full-fledged recovery in 2026 through a turnaround plan

➤ Seller note^{*1}

- The seller note includes a clause that would subordinate payment of the amount due to the Company under the seller note to a certain return of capital for the Buyer if the Divested Business does not meet certain metrics based on the financial results in fiscal 2025
- Given the likelihood of this subordination to occur at the end of fiscal 2025, in Q4 2024, the Company recognized of a provision of 12.8 billion yen as finance costs
- However, even if this subordination does apply, there will be no additional provision to be recognized arising from this transaction
- Remain committed to maximize the recoverable amount on a seller note

(¥bn)		2023-end	2024-end	Q3 2025-end
Americas Business (cash-generating unit ^{*2})	Goodwill (Americas)	29.4	58.4	8.8
	Trademarks (<i>Drunk Elephant</i>)	42.5	47.1	
	Trademarks (<i>Dr. Dennis Gross Skincare</i>)	-	18.8	
	long-term loans receivable (seller note ^{*1})	46.3	43.1	Disclosed at year-end
	Goodwill (EMEA)	7.1	13.2	
	Goodwill (China & Travel Retail)	14.3	20.1	
	Goodwill (Consol.)	62.1	108.0	55.2
	Trademarks (Consol.)	48.6	71.8	Disclosed at year-end

^{*1} In August 2021, the Company decided to divest three of its prestige makeup brands including *bareMinerals* along with the assets related to their businesses to an affiliate of private equity firm Advent International. The total purchase price of the Divested Business was 700 million US dollars, of which 350 million US dollars was paid in cash and the remaining 350 million US dollars was differed to be paid in the form of a seller note (a type of debt financing wherein the seller lends the buyer a portion of the purchase price with a maturity term of 7 years issued by an affiliate which operates the Divested Business)

^{*2} Impairment test has been conducted with trademarks of *Drunk Elephant* and *Dr. Dennis Gross Skincare* being included in cash-generating unit of the Americas Business

Supplemental Data 7: 2025 Net Sales Forecasts by Segment

	Previous Forecast YoY LfL %*1 (February)	Revised Forecast YoY LfL %*1	Market and Sales Assumptions
Japan	+high single%	+low single%	● Inbound sales to significantly fall short of expectation due to subdued spending
China & Travel Retail	– mid single%	– mid single%	● Weak consumption, market uncertainty and intensifying price competition to continue but sales are likely to beat our expectations
Asia Pacific	+low teen%	+low single%	● Lower-than-expected growth in markets*2 notably in Taiwan and South Korea ● <i>Drunk Elephant</i> struggle to continue
Americas	+low teen%	– mid single%	● Market to grow at a slower than expected pace, driven primarily by the weakness in skincare and makeup categories ● <i>Drunk Elephant</i> setback
EMEA	+high single%	+mid single%	● Slower-than-expected market growth across all categories ● <i>Drunk Elephant</i> setback
Global	+4%	– 1%	

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

*2 Countries and regions in Asia Pacific

Supplemental Data 8: Capital Expenditures; Depreciation and Amortization

(Billion yen)	2024	2025 Previous Forecast (as of Feb 2025)	2025 Revised Forecast	Change
Property, Plant and Equipment	23.4	28.0	23.0	− 5.0
Intangible Assets, etc.	25.5	24.0	20.0	− 4.0
Capital Expenditures*	48.9	52.0	43.0	− 9.0
Property, Plant and Equipment	35.2			
Intangible Assets, etc.	17.9			
Depreciation and Amortization	53.2	54.0	51.0	− 3.0

* Investments in capital expenditures; property, plant and equipment (excl. right-of-use assets) and intangible fixed assets (excl. goodwill, trademark rights, right-of-use assets)

Supplemental Data 9: Shiseido's Materiality

- Re-identified 19 material issues in light of the changes in the current business environment, quantitative and qualitative feedback from and dialogue with stakeholders (updated from 2019 version)
- With the launch of 2030 Medium-term Strategy, the issues are organized into four categories aligned with its strategic pillars

Materiality Identification Process

Step1. Identify Social Issues

- Comprehensively identify social issues based on international guidelines (GRI/SASB/SDGs, etc.)

Step2. QN/QL survey and dialogue with multi-stakeholders

- Quantitative survey and analysis on employee/consumer feedback
- Interviews questionnaires for top management (EO/Regional EO)
- Interview with shareholders/investors/experts
(Incl. desk research on social demand and expectations based on ESG evaluation by S&P/MSCI/CDP, etc.)

Step3. Prioritization

- Evaluated with a focus on multi-stakeholder / business materiality

Step4. Finalization (top management incl. corporate executive officers)

- Categorize and conceptualize material issues identified
- Reach agreement at global management meeting

Step5. Board Approval

Materiality	
Lifelong QOL improvement through diverse "power of beauty"	<ul style="list-style-type: none">• Consumers' QOL• DE&I• Respect for human rights• Innovations• Product safety• Responsible marketing and advertising• DX
Resilient management foundation building	<ul style="list-style-type: none">• Governance & accountability enhancement• Fair business transactions• Information security, cybersecurity & privacy• Stakeholder engagement
Talent and organizations to create beauty value	<ul style="list-style-type: none">• Talent & organization for value creation• Occupational health and safety
Harmonization with nature (Circular manufacturing)	<ul style="list-style-type: none">• Climate change• Circular products and manufacturing• Chemical safety and management• Biodiversity• Water usage• Responsible procurement

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