



Consolidated Settlement of Accounts for the Three Months Ended March 31, 2026 [IFRS]

Shiseido Company, Limited

Listings: Tokyo Stock Exchange (Code Number 4911)
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 Start of cash dividend payments: -
 Supplementary quarterly materials prepared: Yes
 Quarterly financial results information meeting held: Yes (for institutional investors and analysts, etc.)

1. Performance for the Three Months Ended March 31, 2026 (From January 1, 2026 to March 31, 2026)

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

(1) Consolidated Operating Results

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

	Net Sales	Core Operating Profit	Operating Profit	Profit Before Tax	Profit Attributable to Owners of Parent	Total Comprehensive Income
	%	%	%	%	%	%
Three Months Ended March 31, 2026	231,958 [1.6]	13,029 [57.9]	12,333 [71.2]	13,269 [79.1]	8,371 [127.1]	13,756 [—]
Three Months Ended March 31, 2025	228,241 [(8.5)]	8,251 [(27.2)]	7,202 [—]	7,408 [—]	3,686 [—]	(16,866) [—]

[Reference] Profit

Three months ended March 31, 2026: ¥8,353 million [122.8%]

Three months ended March 31, 2025: ¥3,749 million [—%]

	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Three Months Ended March 31, 2026	20.95	20.94
Three Months Ended March 31, 2025	9.23	9.23

Notes: Core operating profit is calculated as operating profit excluding profits or losses incurred by non-ordinary factors (non-recurring items), such as costs of structural reforms, impairment losses, and acquisition-related costs, etc.

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent
As of March 31, 2026	1,269,851	625,367	606,756	47.8%
Fiscal Year 2025	1,267,256	621,270	600,756	47.4%

2. Cash Dividends

	Cash Dividends per Share (Yen)				
	Q1	Q2	Q3	Year-End	Full Year
Fiscal Year 2025	—	20.00	—	20.00	40.00
Fiscal Year 2026	—				
Fiscal Year 2026 (Forecast)		30.00	—	30.00	60.00

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

3. Forecast for the Fiscal Year Ending December 31, 2026 (From January 1, 2026 to December 31, 2026)

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

	Net Sales		Core Operating Profit		Operating Profit		Profit Before Tax		Profit Attributable to Owners of Parent	Basic Earnings per Share (Yen)
	%		%		%		%		%	
Fiscal Year 2026	990,000	[2.1]	69,000	[55.0]	59,000	[—]	60,000	[—]	42,000 [—]	105.12

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

Notes

(1) Significant changes in the scope of consolidation during the three months ended March 31, 2026: None

(2) Changes in accounting policies; changes in accounting estimates

1) Changes in accounting policies required by IFRS: None

2) Other changes in accounting policies: None

3) Changes in accounting estimates: None

(3) Number of shares issued (ordinary shares)

1) Number of shares issued (including treasury shares)

As of March 31, 2026: 400,000,000

As of December 31, 2025: 400,000,000

2) Number of treasury shares

As of March 31, 2026: 445,283

As of December 31, 2025: 463,674

3) Average number of shares outstanding during the period

Three months ended March 31, 2026: 399,544,979

Three months ended March 31, 2025: 399,425,667

Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountant or an audit firm: Yes (voluntary)

Appropriate use of business forecasts; other special items

(Cautionary note concerning forward-looking statements)

In this report, statements other than historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements. Please refer to "1. Summary of Consolidated Financial Results for the Three Months Ended March 31, 2026 (3) Consolidated Forecast and Other Forward-Looking Information" on page 6 for information on preconditions underlying the above outlook and other related information.

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1. Summary of Consolidated Financial Results for the Three Months Ended March 31, 2026

(1) Consolidated Performance

(Millions of yen)

	Net Sales	Core Operating Profit	Operating Profit	Profit before Tax	Profit Attributable to Owners of Parent	EBITDA
Three Months Ended March 31, 2026	231,958	13,029	12,333	13,269	8,371	25,535
Three Months Ended March 31, 2025	228,241	8,251	7,202	7,408	3,686	20,955
Year-on-Year Increase (Decrease)	1.6%	57.9%	71.2%	79.1%	127.1%	21.9%
FX-Neutral	(3.1)%					
Like-for-Like	(2.7)%					

Notes:

1. Core operating profit is calculated as operating profit excluding profits or losses incurred by non-ordinary factors (non-recurring items), such as costs of structural reforms, impairment losses, and acquisition-related costs, etc.
2. EBITDA is calculated by adding depreciation and amortization expenses (excluding depreciation of right-of-use assets) to core operating profit.
3. Like-for-like increase (decrease) in net sales excluding the impacts of foreign exchange translation, and all business transfers in the first three months of fiscal year 2026 and 2025, as well as the services provided during the transition period ("business transfer impacts").

For the summary of operating results and details by reportable segment, please refer to the financial results presentation materials for the first quarter of the fiscal year ending December 31, 2026, posted on TDnet and the Company's corporate information website (<https://corp.shiseido.com/en/ir/library/tanshin/>) on the same day as this consolidated settlement of accounts.

[Consolidated Performance]

(Millions of yen)

Classification		Three Months Ended March 31, 2026	% of Total	Three Months Ended March 31, 2025	% of Total	Year-on-Year Increase (Decrease)			
						Amount	Percentage	FX-Neutral	Like-for-Like
Net Sales	Japan Business	71,218	30.7%	74,186	32.5%	(2,968)	(4.0)%	(4.0)%	(3.6)%
	China & Travel Retail Business	78,326	33.8%	74,961	32.8%	3,364	4.5%	(1.5)%	(1.4)%
	Asia Pacific Business	18,026	7.8%	17,071	7.5%	954	5.6%	(1.2)%	(1.1)%
	Americas Business	29,564	12.7%	27,196	11.9%	2,367	8.7%	5.1%	5.1%
	EMEA Business	32,547	14.0%	31,571	13.8%	975	3.1%	(9.9)%	(9.9)%
	Other	2,277	1.0%	3,253	1.4%	(976)	(30.0)%	(30.6)%	(19.9)%
	Total	231,958	100.0%	228,241	100.0%	3,717	1.6%	(3.1)%	(2.7)%

Classification		Total sales including intersegment sales and internal transfers between segments	
		Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Net Sales	Japan Business	71,637	74,303
	China & Travel Retail Business	79,411	75,747
	Asia Pacific Business	18,311	17,313
	Americas Business	30,539	28,657
	EMEA Business	33,769	32,877
	Other	2,440	4,056
	Subtotal	236,109	232,956
	Adjustments	(4,150)	(4,714)
Total		231,958	228,241

(Millions of yen)

Classification		Three Months Ended March 31, 2026	Ratio to Net Sales	Three Months Ended March 31, 2025	Ratio to Net Sales	Year-on-Year Increase (Decrease)	
						Amount	Percentage
Core Operating Profit (Loss)	Japan Business	10,418	14.5%	11,342	15.3%	(923)	(8.1)%
	China & Travel Retail Business	15,705	19.8%	13,309	17.6%	2,396	18.0%
	Asia Pacific Business	503	2.7%	(82)	(0.5)%	586	—
	Americas Business	329	1.1%	(1,853)	(6.5)%	2,182	—
	EMEA Business	(1,637)	(4.8)%	(422)	(1.3)%	(1,215)	—
	Other	(661)	(27.1)%	85	2.1%	(746)	—
	Subtotal	24,658	10.4%	22,379	9.6%	2,278	10.2%
	Adjustments	(11,629)	—	(14,128)	—	2,498	—
Total		13,029	5.6%	8,251	3.6%	4,777	57.9%

Notes:

1. Like-for-like increase (decrease) in net sales excludes the impacts of foreign exchange translation and business transfers.
2. The “Other” includes the restaurant business, etc.
3. 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.
4. The “Adjustments” in core operating profit (loss) primarily reflects the head office expenses that are not allocated to each reportable segment, the difference between the allocation amount to each reportable segment and the actual amount and cost difference, etc. The head office expenses are incurred mainly by head office and R&D, etc.

(2) Financial Position

Total assets increased by ¥2.6 billion from the end of the previous fiscal year to ¥1,269.9 billion, from an increase in inventories and increase in right-of-use assets which outweighed decrease in trade and other payables, and a decrease in property, plant and equipment. Liabilities decreased by ¥1.5 billion to ¥644.5 billion, primarily due to a decrease in trade and other payables which outweighed an increase in short-term borrowings. Equity increased by ¥4.1 billion to ¥625.4 billion, primarily due to an increase in retained earnings due to net income and an increase in exchange differences on translation of foreign operations due to the yen depreciation which was partially offset by a decrease in retained earnings associated with dividend payments.

The net debt-to-equity ratio, which indicates the ratio of interest-bearing debt (excluding lease liabilities) less cash and cash equivalents to equity attributable to owners of parent, was 0.19.

(Cash flow analysis)

Cash and cash equivalents at the end of the first three months of fiscal year 2026 stood at ¥91.8 billion, ¥0.1 billion less than the amount of ¥91.8 billion at the beginning of the current fiscal year.

(Cash Flows from Operating Activities)

Net cash used in operating activities in the first three months of fiscal year 2026 decreased by ¥3.3 billion to ¥0.8 billion. The operating cash flow during the period mainly reflected increase factors such as ¥13.3 billion in Profit before tax, ¥17.6 billion in Depreciation and amortization and ¥12.0 billion in Decrease (increase) in trade receivables, etc., and decrease factors such as ¥16.0 billion in Increase (decrease) in other current liabilities, ¥3.6 billion in Decrease (increase) in inventories and ¥1.7 billion in Increase (decrease) in trade payables, etc.

(Cash Flows from Investing Activities)

Net cash used in investing activities in the first three months of fiscal year 2026 decreased by ¥8.5 billion to ¥6.3 billion. The investing cash flow during the period mainly reflected ¥6.5 billion in Purchase of property, plant and equipment such as investment in factory equipment and ¥3.1 billion in Purchase of intangible assets such as investment in IT systems.

(Cash Flows from Financing Activities)

Net cash provided by financing activities in the first three months of fiscal year 2026 increased by ¥4.9 billion to ¥5.9 billion. The financing cash flow during the period mainly reflected cash outflows such as ¥7.7 billion in Payment of cash dividends and ¥6.1 billion in Repayments of lease liabilities, as well as cash inflows such as ¥21.0 billion in increase of short-term borrowings.

Consolidated Statements of Cash Flows (Summary)

		(Billions of yen)
Category		Amount
Cash and cash equivalents at beginning of period		91.8
	Net cash provided by (used in) operating activities	(0.8)
	Net cash provided by (used in) investing activities	(6.3)
	Net cash provided by (used in) financing activities	5.9
	Effect of exchange rate changes on cash and cash equivalents	1.2
	Net change in cash and cash equivalents (decrease)	(0.1)
Cash and cash equivalents at end of period		91.8

(3) Consolidated Forecast and Other Forward-Looking Information

The consolidated earnings forecast remains unchanged from the previous forecast announced on February 10, 2026 in the “Consolidated Settlement of Accounts for the Fiscal Year Ended December 31, 2025.”

2. Condensed Quarterly Consolidated Financial Statements and Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	As of December 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	91,839	91,786
Trade and other receivables	163,329	152,468
Inventories	147,135	152,273
Other financial assets	28,265	26,271
Other current assets	40,944	49,108
Total current assets	471,514	471,908
Non-current assets		
Property, plant and equipment	283,813	280,922
Goodwill	58,793	59,915
Intangible assets	176,116	175,960
Right-of-use assets	87,985	91,197
Investments accounted for using equity method	2,972	2,972
Other financial assets	96,401	97,535
Retirement benefit asset	35,998	36,123
Deferred tax assets	45,021	44,504
Other non-current assets	8,639	8,809
Total non-current assets	795,741	797,942
Total assets	1,267,256	1,269,851

	As of December 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	141,571	134,051
Bonds and borrowings	30,000	81,000
Lease liabilities	20,205	20,519
Other financial liabilities	20,271	21,766
Income taxes payable	7,931	8,024
Provisions	7,734	3,874
Other current liabilities	117,275	102,176
Total current liabilities	344,989	371,413
Non-current liabilities		
Bonds and borrowings	181,617	151,627
Lease liabilities	91,337	93,734
Other financial liabilities	2,635	2,621
Retirement benefit liability	6,186	6,173
Provisions	4,446	4,548
Deferred tax liabilities	3,387	3,122
Other non-current liabilities	11,384	11,244
Total non-current liabilities	300,996	273,070
Total liabilities	645,985	644,483
Equity		
Share capital	64,506	64,506
Capital surplus	65,855	66,096
Treasury shares	(1,868)	(1,793)
Retained earnings	320,612	320,763
Other components of equity	151,650	157,183
Total equity attributable to owners of parent	600,756	606,756
Non-controlling interests	20,513	18,610
Total equity	621,270	625,367
Total liabilities and equity	1,267,256	1,269,851

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

**Condensed Quarterly Consolidated Statements of Profit or Loss
Three Months Ended March 31**

	Three months ended March 31, 2025	Three months ended March 31, 2026
	Millions of yen	Millions of yen
Net sales	228,241	231,958
Cost of sales	51,306	50,098
Gross profit	176,935	181,860
Selling, general and administrative expenses	170,229	171,316
Other operating income	495	1,789
Operating profit	7,202	12,333
Finance income	1,740	2,302
Finance costs	1,724	1,462
Share of profit of investment accounted for using equity method	190	95
Profit before tax	7,408	13,269
Income tax expense	3,659	4,916
Profit	3,749	8,353
Profit attributable to		
Owners of parent	3,686	8,371
Non-controlling interests	62	(17)
Profit	3,749	8,353
Earnings per share		
Basic earnings per share (yen)	9.23	20.95
Diluted earnings per share (yen)	9.23	20.94

Condensed Quarterly Consolidated Statement of Comprehensive Income
Three Months Ended March 31

	Three months ended March 31, 2025	Three months ended March 31, 2026
	Millions of yen	Millions of yen
Profit	3,749	8,353
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(252)	(303)
Remeasurements of defined benefit plans	87	—
Share of other comprehensive income of investments accounted for using equity method	—	(7)
Total of items that will not be reclassified to profit or loss	(165)	(311)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(20,349)	5,679
Share of other comprehensive income of investments accounted for using equity method	(101)	35
Total of items that may be reclassified to profit or loss	(20,450)	5,714
Other comprehensive income, net of tax	(20,616)	5,403
Comprehensive income	(16,866)	13,756
Comprehensive income attributable to		
Owners of parent	(15,807)	13,589
Non-controlling interests	(1,059)	166
Comprehensive income	(16,866)	13,756

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three Months Ended March 31, 2025 (From January 1, 2025 to March 31, 2025)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2025	64,506	74,138	(2,325)	356,877	139,277	—
Profit (loss)				3,686		
Other comprehensive income					(19,354)	(226)
Total comprehensive income	—	—	—	3,686	(19,354)	(226)
Purchase of treasury shares			(0)			
Disposal of treasury shares		2	12			
Dividends				(3,994)		
Changes in ownership interest in subsidiaries		(16)				
Share-based payment transactions		233		14		
Transfer to retained earnings				(139)		226
Other				0		
Total transactions with owners	—	219	11	(4,118)	—	226
Balance as of March 31, 2025	64,506	74,357	(2,314)	356,445	119,922	—

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2025	—	139,277	632,474	22,169	654,643
Profit (loss)		—	3,686	62	3,749
Other comprehensive income	87	(19,494)	(19,494)	(1,121)	(20,616)
Total comprehensive income	87	(19,494)	(15,807)	(1,059)	(16,866)
Purchase of treasury shares		—	(0)		(0)
Disposal of treasury shares		—	14		14
Dividends		—	(3,994)		(3,994)
Changes in ownership interest in subsidiaries		—	(16)	16	—
Share-based payment transactions		—	247		247
Transfer to retained earnings	(87)	139	—		—
Other		—	0	(41)	(40)
Total transactions with owners	(87)	139	(3,748)	(24)	(3,773)
Balance as of March 31, 2025	—	119,922	612,918	21,084	634,003

Three Months Ended March 31, 2026 (From January 1, 2026 to March 31, 2026)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2026	64,506	65,855	(1,868)	320,612	151,650	—
Profit (loss)				8,371		
Other comprehensive income					5,533	(306)
Total comprehensive income	—	—	—	8,371	5,533	(306)
Purchase of treasury shares			(1)			
Disposal of treasury shares		50	76			
Dividends				(7,990)		
Changes in ownership interest in subsidiaries		151				
Share-based payment transactions		40		16		
Transfer to retained earnings				(314)		306
Other				67		
Total transactions with owners	—	241	74	(8,220)	—	306
Balance as of March 31, 2026	64,506	66,096	(1,793)	320,763	157,183	—

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2026	—	151,650	600,756	20,513	621,270
Profit (loss)		—	8,371	(17)	8,353
Other comprehensive income	(7)	5,218	5,218	184	5,403
Total comprehensive income	(7)	5,218	13,589	166	13,756
Purchase of treasury shares		—	(1)		(1)
Disposal of treasury shares		—	126		126
Dividends		—	(7,990)	(848)	(8,839)
Changes in ownership interest in subsidiaries		—	151	(169)	(18)
Share-based payment transactions		—	56		56
Transfer to retained earnings	7	314	—		—
Other		—	67	(1,050)	(982)
Total transactions with owners	7	314	(7,590)	(2,069)	(9,659)
Balance as of March 31, 2026	—	157,183	606,756	18,610	625,367

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	Three months ended March 31, 2025	Three months ended March 31, 2026
	Millions of yen	Millions of yen
Cash flows from operating activities:		
Profit before tax	7,408	13,269
Depreciation and amortization	18,011	17,554
Impairment losses (reversal of impairment losses)	(14)	37
Loss (gain) on disposal of non-current assets	318	346
Increase (decrease) in retirement benefit asset or liability	256	(114)
Interest and dividend income	(1,733)	(2,198)
Interest expenses	1,118	1,256
Share of profit of investments accounted for using equity method	(190)	(95)
Decrease (increase) in trade receivables	4,949	11,984
Decrease (increase) in inventories	2,230	(3,565)
Increase (decrease) in trade payables	(17,218)	(1,698)
Increase (decrease) in other current liabilities	(3,330)	(16,008)
Other	(7,610)	(17,262)
Subtotal	4,195	3,505
Interest and dividends received	533	607
Interest paid	(849)	(904)
Income taxes paid	(1,395)	(4,048)
Net cash provided by (used in) operating activities	2,484	(840)
Cash flows from investing activities:		
Payments into time deposits	(9,973)	(6,636)
Proceeds from withdrawal of time deposits	8,616	8,938
Purchase of property, plant and equipment	(6,878)	(6,491)
Proceeds from sales of property, plant and equipment and intangible assets	5	189
Purchase of intangible assets	(7,119)	(3,100)
Other	510	810
Net cash provided by (used in) investing activities	(14,838)	(6,289)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings and commercial papers	31,000	21,000
Redemption of bonds	(20,000)	—
Purchase of treasury shares	(0)	(1)
Proceeds from disposal of treasury shares	0	0
Dividends paid	(3,843)	(7,749)
Dividends paid to non-controlling interests	—	(1,148)
Repayments of lease liabilities	(6,006)	(6,055)
Other	(114)	(147)
Net cash provided by (used in) financing activities	1,035	5,897
Net decrease in cash and cash equivalents	(11,319)	(1,232)
Cash and cash equivalents at beginning of period	98,479	91,839
Effect of exchange rate changes on cash and cash equivalents	(2,954)	1,180
Cash and cash equivalents at end of period	84,206	91,786

(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

(Applicable Financial Reporting Framework)

The Group's condensed quarterly consolidated financial statements and notes are prepared in accordance with Article 5, Paragraph 2 of Tokyo Stock Exchange, Inc.'s standards for the preparation of quarterly financial statements, etc. (however, the omissions set out in Article 5, Paragraph 5 of the same standards are applied). Some of the disclosure items and notes required by IAS 34 "Interim Financial Reporting" are omitted.

(Note on Assumptions of a Going Concern)

Not applicable.

(Change in Presentation)

(Condensed Quarterly Consolidated Statement of Cash Flows)

"Increase (decrease) in other current liabilities" under "Cash flows from operating activities," which was included in "Other" in the three months ended March 31, 2025, has been stated as a separate account item from the three months ended March 31, 2026 as the amount is material. In order to reflect this change in presentation, condensed quarterly consolidated financial statement of cash flows for the three months ended March 31, 2025 has been reclassified.

As a result, ¥(3,330) million, which was included in "Other" under "Cash flows from operating activities" in the condensed quarterly consolidated financial statement of cash flows for the three months ended March 31, 2025 has been reclassified to "Increase (decrease) in other current liabilities".

(Segment Information, etc.)

(1) Overview of Reportable Segments

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

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

The Japan Business mainly comprises domestic business by brand category (Prestige, Fragrance, Premium, etc.).

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

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

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

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

The "Other" includes the restaurant business, etc.

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

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

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

(3) Segment Revenue and Business Result

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

Three Months Ended March 31, 2025 (From January 1, 2025 to March 31, 2025)

(Millions of yen)

	Reportable Segment				
	Japan Business	China & Travel Retail Business	Asia Pacific Business	Americas Business	EMEA Business (Note 1)
Net sales					
Sales to external customers	74,186	74,961	17,071	27,196	31,571
Intersegment sales or transfer	117	786	241	1,461	1,306
Total	74,303	75,747	17,313	28,657	32,877
Segment profit (loss) i.e. Core operating profit	11,342	13,309	(82)	(1,853)	(422)
	Other (Note 2)	Total	Adjustments (Note 3)	Consolidation	
Net sales					
Sales to external customers	3,253	228,241	—	228,241	
Intersegment sales or transfer	802	4,714	(4,714)	—	
Total	4,056	232,956	(4,714)	228,241	
Segment profit (loss) i.e. Core operating profit	85	22,379	(14,128)	8,251	

Notes:

1. The “EMEA Business” includes the Middle East and Africa regions.
2. The “Other” includes the restaurant business, etc.
3. The “Adjustments” in core operating profit (loss) primarily reflects the head office expenses that are not allocated to each operating segment (¥(19,367) million) and the difference between the allocation amount to each operating segment and the actual amount, etc. (¥5,239 million). The head office expenses are incurred mainly by head office, R&D, etc.

Three Months Ended March 31, 2026 (From January 1, 2026 to March 31, 2026)

(Millions of yen)

	Reportable Segment				
	Japan Business	China & Travel Retail Business	Asia Pacific Business	Americas Business	EMEA Business (Note 1)
Net sales					
Sales to external customers	71,218	78,326	18,026	29,564	32,547
Intersegment sales or transfer	419	1,085	285	975	1,221
Total	71,637	79,411	18,311	30,539	33,769
Segment profit (loss) i.e. Core operating profit	10,418	15,705	503	329	(1,637)
	Other (Note 2)	Total	Adjustments (Note 3)	Consolidation	
Net sales					
Sales to external customers	2,277	231,958	—	231,958	
Intersegment sales or transfer	163	4,150	(4,150)	—	
Total	2,440	236,109	(4,150)	231,958	
Segment profit (loss) i.e. Core operating profit	(661)	24,658	(11,629)	13,029	

Notes:

1. The “EMEA Business” includes the Middle East and Africa regions.
2. The “Other” includes the restaurant business, etc.
3. The “Adjustments” in core operating profit (loss) primarily reflects the head office expenses that are not allocated to each operating segment (¥(15,598) million), the difference between the allocation amount to each operating segment and the actual amount (¥2,741 million) and cost difference (¥1,072 million), etc. The head office expenses are incurred mainly by head office, R&D, etc.

Adjustments from segment profit to operating profit as follows:

	Three months ended March 31, 2025	Three months ended March 31, 2026
	Millions of yen	Millions of yen
Segment profit	8,251	13,029
Structural reform expenses	(783)	(658)
Impairment losses	(43)	(42)
Reversal of impairment losses	58	4
Acquisition-related costs	(7)	—
Other	(272)	—
Operating profit	7,202	12,333

“Structural reform expenses” for the three months ended March 31, 2025 and 2026 are the costs associated with the “Action Plan 2025-2026.” The expenses are included in “Cost of sales,” and “Selling, general and administrative expenses,” in the condensed quarterly consolidated statement of profit or loss.

(Significant Subsequent Events)

Shiseido Company, Limited (the “Company”) today has made a decision to close the Hsinchu Factory of its consolidated subsidiary, Taiwan Shiseido Co., Ltd. (“Taiwan Shiseido”), and transfer production to the Company’s domestic bases, based on the decision by the Representative Corporate Executive Officer.

1. Reason for the closure

Under the "2030 Medium-Term Strategy" announced in November 2025, we aim to achieve sustainable growth by maximizing brand value. In line with one of the strategy’s core pillars, "Evolve Global Operations," we are advancing the global optimization of our production and logistics footprint.

Accordingly, we have decided to close the Hsinchu Factory of Taiwan Shiseido, a consolidated subsidiary in which we hold a 51% stake, and transfer its production to domestic factories, including the Nasu Factory. This decision will enhance global capacity utilization and improve cost efficiency. In parallel, Taiwan Shiseido will concentrate its management resources on its local distribution business, enabling a more agile and responsive operating model.

2. Overview of the Hsinchu Factory

1. Factory Name	Taiwan Shiseido Hsinchu Factory
2. Location	60, Guangfu N Road, Hukou Township, Hsinchu County (within Hsinchu Hukou Industrial Park)
3. Main products	Skincare products, etc.

3. Schedule of the closure

End of production: First quarter of 2027 (Scheduled)

Closure: Second half of 2027 (Scheduled)

4. Expected impact on earnings

The costs incurred by the closure of the Hsinchu Factory are expected to be approximately ¥3.5 billion as non-recurring items. Of this amount, approximately ¥2.0 billion is expected to be recognized in the consolidated financial results for the fiscal year ending December 31, 2026. This expense has already been incorporated into the consolidated financial forecast for the fiscal year ending December 31, 2026. The remaining approximately ¥1.5 billion is expected to be recognized in the fiscal year ending December 31, 2027.

Independent Auditor's Report on Review of Quarterly Consolidated Financial Statements

May 12, 2026

To the Board of Directors of Shiseido Company, Limited:

KPMG AZSA LLC
Tokyo Office, Japan

Ryohei Tomita
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kentaro Hayashi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yuki Kodaka
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Conclusion

We have reviewed the accompanying condensed quarterly consolidated financial statements of Shiseido Company, Limited (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”) provided in the “Attached Documents” in the Consolidated Settlement of Accounts for the Three Months Ended March 31, 2026, which comprise the condensed quarterly consolidated statement of financial position as at March 31, 2026, the condensed quarterly consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes concerning the condensed quarterly consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (“the Standard”) (applying the omissions prescribed in Article 5(5) of the Standard).

Basis for Conclusion

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Review of the Condensed Quarterly 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 audits 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management and the Audit Committee for the Condensed Quarterly Consolidated Financial Statements

Management is responsible for the preparation and presentation of the condensed quarterly consolidated financial statements in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard), and for such internal control as management determines is necessary to enable the preparation of the condensed quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed quarterly 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 Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard) and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee are 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 Review of the Condensed Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion on these condensed quarterly consolidated financial statements based on our review in our report on the review of condensed quarterly consolidated financial statements.

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

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, that nothing has come to our attention that causes us to believe that the condensed quarterly consolidated financial statements are not prepared in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard), if a material uncertainty relating to events or conditions comes to our attention 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 report on the review of condensed quarterly consolidated financial statements to the related disclosures in the condensed quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the review of condensed quarterly consolidated financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate that nothing has come to our attention that causes us to believe that the presentation and disclosures in the condensed quarterly consolidated financial statements are not prepared in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the

omissions prescribed in Article 5(5) of the Standard).

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group as a basis for forming a conclusion on the condensed quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the interim review on the condensed quarterly consolidated financial statements. We remain solely responsible for our review conclusion.

We communicate with the Audit Committee regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

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 Review Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report on Review of Condensed Quarterly Consolidated Financial Statements as required by the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.