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**Press Release**

## **Notice of Transfer of the Manufacturing Business for Personal Care Products**

Shiseido Company, Limited (the "Company") hereby announces that it has determined to transfer its manufacturing business of personal care products conducted at Shiseido Kuki Factory (Saitama prefecture, Japan; the "Kuki Factory") and Shiseido Vietnam Factory (Bien Hoa City, Dong Nai Province, Vietnam; the "Vietnam Factory"). Through this transfer, the Company will support Fine Today Shiseido Co., Ltd. ("FTS") to build a management system that integrates manufacturing and sales, to support the company's sustainable growth, and realize the future development of both Kuki and Vietnam factories.

In July last year, we transferred our personal care business to FTS, a corporation indirectly financed by CVC Capital Partners ("CVC"). After the transfer, the Company helped operate the business as a shareholder of FTS's wholly-owning parent company K.K. Asian Personal Care Holding ("APCH") in cooperation with CVC, and since July last year FTS has made a good start as a new company, steadily increasing its business performance. In order for FTS to ensure this continuous growth, it is important to build a comprehensive management system that integrates manufacturing and sales, in which production and supply are performed at its own factory.

The Company has been producing and supplying personal care products from both Kuki and Vietnam factories. They were positioned as mainstay factories for personal care products and have contributed to the Company's operations through manufacturing and supply of products with high quality and productivity. The transfer of the manufacturing business will be carried out in the form of a transfer of shares of the Kuki factory after the company split from the Company, and a transfer of shares of the Vietnam factory. Our employees at both factories will continue to engage in production.

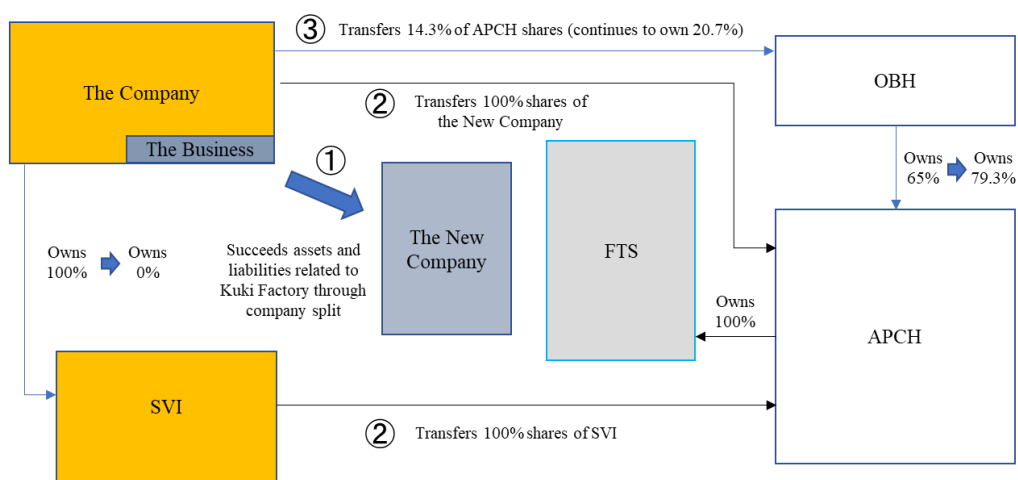
The Company has now established a production bases that allows for stable supply of high-quality products made in Japan: in addition to the existing Kakegawa and Osaka factories, we commenced operations at the Nasu Factory in 2019, the Osaka Ibaraki Factory in 2020, and the Fukuoka Kurume Factory in May 2022. All our new domestic factories are responsible for skin beauty products manufacturing centered on the prestige and premium cosmetics business, under its medium-to long-term strategy "WIN 2023 and Beyond". We aim to "Be a Global Winner with Our Heritage" by stably providing Shiseido's unique "Made by Japan" products globally.

## Reference: Details of the Transaction Procedures

The business conducted by the Company at the Kuki Factory will be transferred from the Company to the New Company at the first quarter of 2023 (planned) through an absorption-type corporate split (the “Company Split”), followed by a transfer of all of the outstanding shares of the New Company to APCH on the same date. The Company also plans to transfer all of its equity interest in its wholly owned subsidiary Shiseido Vietnam Inc. (“SVI”) to APCH in the second half of 2023 (planned).

The New Company Share Transfer is subject to obtaining clearance from relevant authorities based on the Antimonopoly Act, while the SVI Equity Interest Transfer is subject to obtaining the necessary permits and approvals in Vietnam. Since the Company Split is a simple absorption-type split carried out between the Company and its wholly owned subsidiary, some of the disclosure items and details have been omitted.

## Overview of the Transaction Scheme



- ① The New Company succeeds assets/liabilities related to the Kuki Factory from the Company through a company split.
  - ② The Company transfers 100% shares of the New Company and SVI to APCH.
  - ③ The Company transfers 14.3% of APCH shares to OBH and continues to own 20.7% shares of APCH.
- \* The Company's shareholding ratio after the capital increase of OBH, which is scheduled to take place on the same date as the share transfer will be 20.1%