



## Shiseido to Issue its First Sustainability-Linked Bonds

Shiseido will offer its first Sustainability-Linked Bonds\*<sup>1</sup> (“the Bonds”) and filed on November 11 an Amended Shelf Registration Statement regarding the issuance of the Bonds with the Director-General of the Kanto Local Finance Bureau.

\*1 Sustainability-Linked Bonds collectively refer to bonds, whose financial and structural characteristics may vary depending on a progress in achieving predefined sustainability/ESG targets

### Objective and background of issuing the Bonds

Under Shiseido’s corporate mission of BEAUTY INNOVATIONS FOR A BETTER WORLD, we are committed to the realization of a sustainable world where everyone can enjoy a lifetime of happiness through the power of beauty toward 2030. We are accelerating sustainability actions by our business activities by linking our brands, regional businesses, and corporate functions and organizations. The Bonds represent our commitment to the resolution of material issues in the areas of the environment and society. For key performance indicator (KPI), we selected “Reducing Our Environmental Footprint” and “Advancing Gender Equality” in the areas of the environment and society, respectively, and established sustainability performance targets (SPTs) for the respective KPI. We strive to promote our initiatives to create the sustainable world.

### Outline of the Bonds

Tenor	Five years (plan)
Issuance amount	20 billion yen (plan)
Time of issuance	December 2022 (plan)
KPI	KPI1: CO <sub>2</sub> emissions (Scope1 + Scope2) KPI2: A ratio of female leader* <sup>2</sup>
SPTs	SPT1: Carbon neutrality by 2026* <sup>3</sup> SPT2: A ratio of female leaders in Japan of 40% by January 1, 2026* <sup>4</sup>
Bond characteristics	Characteristics of the Bonds may vary depending on Shiseido’s performance against the SPTs. If Shiseido fails to achieve both SPTs, an amount equivalent to 0.1% of the issuance amount will be donated to a public interest incorporated association, public interest incorporated foundation or international organization working for environmental preservation, empowerment of women or gender equality. A recipient will be decided through necessary resolutions on or after the observation date for the SPTs. If Shiseido fails to achieve either of the SPTs, an amount equivalent to 0.05% of the issuance amount will be donated.
Structuring Agents* <sup>5</sup>	Daiwa Securities Co. Ltd. and Mizuho Securities Co., Ltd.
Lead underwriter	Daiwa Securities Co. Ltd., Mizuho Securities Co., Ltd. and Nomura Securities Co., Ltd.

\*2 Shiseido Group in Japan

\*3 Including emissions credits purchase

\*4 Scope: Shiseido Group in Japan

\*5 Structuring Agent refers to an entity that support the issuance of Sustainability-Linked Bonds through such services as the design of the issuer's bond framework and the provision of advice on obtaining an opinion from external reviewers.

#### Formulating a Sustainability-Linked Bond Framework and Obtaining a Third-Party Opinion

Shiseido formulated the Sustainability-Linked Bond Framework (“the Framework”) that describes five components of the issuance of the Bonds: (1) selection of KPI, (2) calibration of SPTs, (3) bond characteristics, (4) reporting, and (5) verification. It has obtained the third-party opinion from Japan Credit Rating Agency Ltd. to the effect that the Framework complies with the Sustainability-Linked Bond Principles 2020 of the International Capital Market Association (ICMA) and the Sustainability Linked Bond Guidelines 2022 of the Ministry of the Environment of Japan.

#### ■ Sustainability-Linked Bond Framework

URL: <https://corp.shiseido.com/en/ir/issue/slb/pdf/framework2022.pdf>

#### ■ Third-Party Opinion

URL: <https://www.jcr.co.jp/en/greenfinance/>