(Translation)

June 21, 2024

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Shiseido to Announce Transfer of Equity-Method Affiliate (Transfer of Shares)

Shiseido Company, Limited (the "Company") announced today that it has entered into an Equity Transfer Agreement (the "Agreement") with private equity fund CVC Capital Partners ("CVC") to transfer the ownership of shares (the "Transfer") in its equity-method affiliate FineToday Holdings Co., Ltd. ("FTHD") to Oriental Beauty Holding (HK) Limited ("OBH" or the "Transferee"). OBH is a corporate entity that is directly or indirectly financed through funds advised by CVC.

As a result of this Transfer, FTHD will no longer be the equity-method affiliate of the Company.

1. Background and Purpose of the Transfer

At Shiseido, we remain committed to achieving a fundamental business transformation positioning skin beauty as our core business. In the process of rebuilding our business portfolio to that end, the Company decided in 2021 to transfer its Personal Care business (the "Business") to establish a joint venture with CVC, with the ownership of assets related to the two manufacturing factories, namely the Shiseido Kuki Factory and Shiseido Vietnam Factory subsequently transferred in 2022.

These actions were aligned with our objective to establish an operational framework to drive investment for continued growth and success of the Business, their brands and employees by ensuring a sufficient level of marketing investment, resilient business strategies to target mass-market, agile decision making process, and talent incubation focused on value creation capabilities, which will ultimately contribute to their customers and business partners. The Company acquired the equity interest in FTHD subsequent to the transfer of the Business in 2021 and have been engaged in the operation of its business by partnering with CVC to support their growth.

As we announced on May 10, 2024, FTHD is currently preparing for the listing on the Tokyo Stock Exchange as it has steadily expanded its business while establishing an effective management structure under their own leadership. We believe that our initial purpose has been met, and, therefore, have decided to transfer the ownership of shares in FTHD to CVC.

With the aim to achieve a core operating profit of 9% in 2025 under the medium-term strategy "SHIFT 2025 and Beyond" focusing on a three-year period from 2023 through 2025, the Company is advancing its business transformation driven by our two objectives: sustainable profitable growth and structural reforms. We will stay committed to maximizing our corporate value through proactive investments in high-added value categories to leverage our competitive advantage.

2. Scheduled Transactions

Date of Agreement	June 20, 2024
Date of Transfer	Scheduled to be completed by June 30, 2024

3. Company Profile of the Equity-method Affiliate to be Transferred

Trade name	FineToday Holdings Co., Ltd.	
Location	2-16-3 Konan, Minato-ku, Tokyo	
Representative	Tetsuo Komori, Representative Director, CEO	
Main business	Manufacturing, sales and marketing of personal care products, etc.	
Capital	900 million yen (as of March 31, 2024)	
Year of establishment	January 2021	
Relationship between the Company and FTHD	Equity relationship	The Company owns 20.09% of FTHD, and FTHD is an equity-method affiliate of the Company.
	Personnel relationship	There is no Personnel relationship between the Company and FTHD.
	Business relationship	Not engaged in any direct business relationship.
	Related party or affiliate relationships	FTHD is an affiliate company of the Company and is considered a related party.

4. Company Profile of the Transferee

Trade name	Oriental Beauty Holding (HK) Limited	
Location	Suite 2009-11 ICBC Tower, 3 Garden Road, Central, Hong Kong	
Representative	Alvin Lam, Tsz-Wang, Andrey Gromak	
Main business	Buying and holding of marketable securities and other related operations.	
Capital	455,982,577 USD (as of December 31, 2023)	
Year of establishment	May 18, 2020	
Total assets	1,185,982,211 (as of December 31, 2023)	
Net assets	1,103,520,721 (as of December 31, 2023)	
Major shareholders and shareholder equity ratio	Oriental Beauty Group Holding (HK) Limited 71.0% Oriental Beauty Co-Investment Limited Partnership 20.9% (Common stock ownership ratio)	
Relationship between the Company and the Transferee	Equity relationship	None
	Personnel relationship	None
	Business relationship	None
	Related party or affiliate relationship	None

5. The Number of Shares to be Transferred and Change in Shareholder Equity Ratio After the Transfer

Before the Transfer	61,502,500 shares (the ratio of voting rights: 20.09%)
The number of shares transferred	61,502,500 shares (the ratio of voting rights: 20.09%)
After the Transfer	0 shares (the ratio of voting rights: 0.00%)

Based on the agreement with the Transferee, the transfer price for this transaction will not be disclosed.

6. Expected Impact on Earnings

We are currently estimating the impact of the Transfer on our consolidated financial results for the fiscal year ending December 31, 2024. We will promptly disclose any information regarding this matter that deemed necessary.

—End of News Release—