(Translation)

October 29, 2024

Name of Company: Shiseido Company, Limited
Name of Representative: Kentaro Fujiwara
President and COO
Representative Corporate Executive Officer
(Code No. 4911; The Prime Market of the Tokyo Stock Exchange)
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Notice of a Company Split (Simple Absorption-type Company Split) with a Consolidated Subsidiary (Shiseido Japan Company, Limited)

Shiseido Company, Limited (the "Company") today announced that the decision has been made by the Representative Corporate Executive Officers to transfer part of the business related to *SHISEIDO BEAUTY WELLNESS* (the "Business"), an inner beauty brand that strives to help people pursue their own unique beauty and wellness, to a wholly owned subsidiary Shiseido Japan Company, Limited ("Shiseido Japan") by entering into a simple absorption-type company split (the "Absorption-type Split" or the "Split") agreement (the "Agreement") which will come into effect as of January 1, 2025. This will be a simple absorption-type company split conducted between the Company and its wholly owned subsidiary, and therefore, not all information is disclosed in this announcement.

1. Purpose of the Absorption-type Split

This Absorption-type Split is intended to execute strategies that are better aligned with the local market by transferring the ownership of domestic marketing operations of the Business currently held by the Company, the global headquarters in Japan, to our wholly owned subsidiary Shiseido Japan as of January 1, 2025. As part of this transition process, Shiseido Japan will also be succeeding the ownership of the Company-owned e-commerce businesses associated with the brand.

2. Transaction Overview

(1) Schedule

Date of Approval by the Representative Corporate Executive Officers	October 29, 2024
Execution Date	November 1, 2024 (planned)
Effective Date of Agreement	January 1, 2025 (planned)

Note: This will be a simple absorption-type company split pursuant to Paragraph 2 Article 784 of the Companies Act for the splitting company, and therefore, the Company will not convene a general meeting of shareholders to obtain approval for entering into the Agreement with Shiseido Japan. Likewise, since this will be a short-form absorption-type split pursuant to Paragraph 2 Article 784 of the Companies Act for the succeeding company, Shiseido Japan will not convene a general meeting of shareholders to obtain approval for entering into the Agreement with the Company.

(2) Transaction method

This will be an absorption-type company split conducted by the Company as the splitting company which is intended to transfer the Business to the succeeding company, Shiseido Japan.

(3) Share allotment

This Absorption-type Split will be conducted between the Company and its wholly owned subsidiary, and therefore, there will be no shares allotted or consideration paid to the Company by the succeeding company in connection with the transaction thereof.

(4) Stock acquisition rights and bonds with stock acquisition rights issued in connection with the Absorption-type Split

Not applicable.

(5) Change in capital structure

There will be no increase or decrease in capital.

(6) Rights or obligations to be transferred to the succeeding company

Shiseido Japan will take over assets, liabilities and/or contractual status required to operate the Business, or any other rights and obligations attached thereto.

(7) Performance of obligations

The Company understands that there are no issues regarding the ability of Shiseido Japan to perform its obligations after the Absorption-type Split.

3. Corporate profiles of the parties involved in the Absorption-type Split:

	Splitting Company	Succeeding Company
Name	Shiseido Company, Limited	Shiseido Japan Company, Limited
Location	5-5, Ginza 7-chome, Chuo-Ku, Tokyo	5-5, Ginza 7-chome, Chuo-ku, Tokyo
Name and Title of Representative	Kentaro Fujiwara Representative Corporate Executive Officer President and COO	Kentaro Fujiwara Representative Director President and CEO
Main Business Activities	Research, development, manufacture, and sale of cosmetics and other products	Planning and selling of cosmetics and other products
Capital	64,506 million yen	100 million yen
Date of Establishment	June 24, 1927	December 1, 1927
Number of Shares Issued	400,000,000	8,000,000
Fiscal Year-End	December 31	December 31
Major Shareholders and Shareholding Ratio (excluding Treasury Stock) (As of June 30, 2024)	The Master Trust Bank of Japan, Ltd. (Trust Account): 19.98% Custody Bank of Japan, Ltd. (Trust Account): 7.59% GOVERNMENT OF NORWAY: 2.72% STATE STREET BANK WEST CLIENT - TREATY 505234: 1.95% Mizuho Trust & Banking Co., Ltd. re-trusted to Custody Bank of Japan, Ltd. Employees Pension Trust for	Shiseido Company, Limited: 100%

	Mizuho Bank: 1.75% THE BANK OF NEW YORK 134104: 1.58% THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS: 1.40% Nippon Life Insurance Company: 1.40% JP MORGAN CHASE BANK 385781: 1.36% SSBTC CLIENT OMNIBUS ACCOUNT: 1.24%	

Financial position at the end of the previous fiscal year (ending December 31, 2023)

(Millions of yen)

	Splitting Company (Shiseido Company, Limited) (Consolidated : IFRS)	Succeeding Company (Shiseido Japan) (Parent: IFRS)
Net Assets	640,392	34,277
Total Assets	1,255,497	133,456
Equity Attributable to Owners of Parent per Share (Yen)	1,548.20	4,284.74
Net Sales	973,038	239,847
Operating Profit	28,133	5,482
Profit Attributable to Owners of Parent	21,749	3,376
Basic Earnings per Share (Yen)	54.43	422.03

4. Overview of the Business subject to the Split:

(1) Description of the Business

Any and all marketing operations of *SHISEIDO BEAUTY WELLNESS* in Japan and the Company-owned e-commerce businesses associated with the brand.

(2) Operating performance of the Business

Net sales of the Business are not available.

(3) Assets and liabilities of the Business (as of September 30, 2024)

Assets: 233 million yen

Liabilities: 66 million yen

(Note) The balances above are calculated based on the Statement of Financial Position as of September 30, 2024 and the total amount of assets and liabilities to be succeeded to the subsidiary will reflect changes in the balance sheet that may occur during the period before the effective date of Agreement.

5. Changes in conditions and status of the Company after the Absorption-type Split

There will be no changes to the conditions and/or the status of the Company including, but not limited to its name, location, the name or executive title of the representative, business activities, capital structure, and fiscal year accounting period as a result of this Absorption-type Split.

6. Expected impact on earnings

This will be an absorption-type company split conducted by the Company with its wholly owned subsidiary being the succeeding company, and, therefore, we expect that this transaction will only have a limited impact on our consolidated earnings results for the fiscal year ending December 2024.

—End of News Release—