(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 (THE GINZA Co., Ltd.)

Shiseido Company, Limited (the "Company") today announced that the decision has been made by the Representative Corporate Executive Officers to transfer the direct ownership of the business that offers cosmetics and other products and services (the "Business") at its flagship beauty store "SHISEIDO THE STORE" (7-8-10, Ginza, Chuo-ku, Tokyo) to a subsidiary company THE GINZA Co., Ltd. ("The Ginza") by entering into a simple absorption-type company split (the "Absorption-type 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 subsidiary, and therefore, not all information is disclosed in this announcement.

1. Purpose of the Absorption-type Split

The Company started operations of the Business at its flagship beauty store "SHISEIDO THE GINZA" opened in 2011 in Ginza, Tokyo (changed its name to "SHISEIDO THE STORE" in 2018). Since its foundation, the Business has been directly owned and operated by the Company, however, we have made a decision to transfer the ownership of the Business to our subsidiary The Ginza, as part of the restructuring process to improve operational efficiency in our business.

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 The Ginza. On the contrary, however, The Ginza is required to convene a general meeting of shareholders to obtain approval for entering into the Agreement with the Company no later than the effective date thereof.

(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, The Ginza.

(3) Share allotment

The Ginza will issue one share of its common stock as consideration to be received by the Company for the Absorption-type Split.

(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

The Ginza 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 The Ginza to perform its obligations after the Absorption-type Split.

3. Rationale for the share allotment

The terms of the consideration to be received by the Company in exchange for the transaction of this Absorption-type Split have been agreed upon and determined appropriate by both parties, by taking into consideration all aspects of the business of the succeeding company, including the Business, as well as their future outlook.

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

	Splitting Company	Succeeding Company
Name	Shiseido Company, Limited	THE GINZA Co., Ltd.
Location	5-5, Ginza 7-chome, Chuo-Ku, Tokyo	8-10, Ginza 7-chome, Chuo-ku, Tokyo
Name and Title of Representative	Kentaro Fujiwara Representative Corporate Executive Officer President and COO	Kiyomi Horii Representative Director
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	January 7, 1941
Number of Shares Issued	400,000,000	895,000
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	Shiseido Company, Limited: 98.1% Individual shareholders: 1.8%

	Trust for 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 (THE GINZA Co., Ltd.) (Parent: IFRS)
Net Assets	640,392	(4,033)
Total Assets	1,255,497	7,010
Equity Attributable to Owners of Parent per Share (Yen)	1,548.20	(4,506.86)
Net Sales	973,038	11,922
Operating Profit	28,133	443
Profit Attributable to Owners of Parent	21,749	304
Basic Earnings per Share (Yen)	54.43	340.30

5. Overview of the Business to be succeeded by the Company:

(1) Description of the Business

The business directly owned and operated by the Company that offers cosmetics and other products and services at its flagship beauty store “SHISEIDO THE STORE.”

(2) Operating performance of the Business (for the fiscal year ended December 31, 2023)

Net sales: 1,177 million yen

(3) The items and book value of the assets and liabilities of the Business (as of September 30, 2024)

(Millions of yen)

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current assets	118	Current liabilities	211
Non-current assets	1,002	Non-current liabilities	1
Total	1,121	Total	213

Note: The balances in the table 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.

6. 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 reporting period as a result of this Absorption-type Split.

7. Expected impact on earnings

This will be an absorption-type company split conducted by the Company with its 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—