(Translation)

November 17, 2026

Name of Company: Shiseido Company, Limited
Name of Representative: Kentaro Fujiwara
Representative Corporate Executive Officer
President and CEO

(Code No. 4911; The Prime Market of the Tokyo Stock Exchange)
Contact: Yuki Oshima
Vice President
Investor Relations Department
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# Notice Regarding Change in Consolidated Subsidiary (Transfer of Equity Interest in Shiseido Liyuan Cosmetics Co., Ltd.)

Shiseido Company, Limited ("the Company") hereby announces that it has decided today to transfer all of its equity interest in its consolidated subsidiary, Shiseido Liyuan Cosmetics Co., Ltd. ("SLC"), to an investor consortium(*1) led by IDG Capital ("IDG") (comprising a total of three entities: two special purpose vehicles (SPVs) established by funds managed by IDG, and an external management partnership(*2)), and has entered into a legally binding Equity Interest Transfer Agreement ("ETA") with the transferees, as well as a legally binding Transitional Services Agreement with SLC.

*1 Hereinafter collectively referred to as the "Transferees"

*2 A limited partnership enterprise established primarily by the new management team of SLC

## 1. Reasons and Overview of Equity Interest Transfer

Under its 2030 Medium-Term Strategy, the Company is striving to enhance profitability, capital efficiency, and cash flow generation and ultimately maximize corporate value, based on three strategic pillars**:** "Accelerate growth with brand power," "Evolve global operations," and "Drive sustainable value creation."

China is a strategically important market for the Company and an attractive, dynamic market where the competitive landscape continues to evolve amid the rapid expansion of e-commerce, changing consumer behavior, and the emergence of diverse market participants. The Company views these changes as opportunities for growth and seeks to drive sustainable growth and strengthen its competitiveness in China by focusing management resources on areas where it enjoys the greatest competitive advantage.

SLC was established in 1991 as a joint venture with Beijing Liyuan Co., Ltd. ("Beijing Liyuan"), a subsidiary of Yiqing Group, owned by the Beijing Municipal Government. Since 1994, SLC has manufactured and marketed cosmetics under "AUPRES," a brand dedicated to the Chinese market. In anticipation of the expiration of the current third joint venture agreement in December 2026, the parties engaged in extensive discussions regarding long-term development and sustainable growth of SLC. As a result, the parties mutually agreed not to renew the joint venture agreement upon its expiration. On September 1, 2026, the Shiseido Group ("the Group") acquired the equity interest (35%) held by Beijing Liyuan.

To achieve sustainable growth for SLC, continued investment in product innovation and digital capabilities is essential in light of evolving market and competitive dynamics. Following a comprehensive evaluation of business sustainability and investment priorities, the Company concluded that transferring the business (including the Beijing Factory of SLC and its production equipment) to IDG would best support SLC's future development and serve the interests of its stakeholders.

IDG is a leading international private equity investment firm with extensive investment experience and expertise in the consumer sector. The Company believes that under IDG, driving agile business execution as an independent brand that leverages the brand equity and business foundation of SLC and the "AUPRES" brand will lead to SLC's sustainable growth and the enhancement of its brand value.

With IDG's support and a new management team with extensive experience in beauty brand management and business transformation, the business will be better positioned to respond to evolving Chinese consumer needs, and provide better services to consumers and business partners.

To ensure a smooth transition following the transfer, the Company will grant licenses for certain intellectual property rights required for business operations. Additionally, for a specified period following the transfer, the Company will provide ongoing support on new product development, technical assistance for the stable supply of existing products, and the continued supply of raw materials and selected products, thereby collaborating to maintain innovation capabilities, product quality, and business continuity.

Under this transaction, the equity interest will be transferred to a total of three entities: two SPVs established by funds managed by IDG (total transfer ratio: 95%), and a limited partnership enterprise established primarily by the new management team of SLC (transfer ratio: 5%).

The completion of this transaction is subject to receipt of certain necessary regulatory approvals in relevant countries/regions, including China, and the satisfaction of other customary closing conditions.

In the China and Travel Retail business, the Group will continue to drive sustainable growth and enhance its competitiveness by strategically allocating management resources toward nurturing focus brands, strengthening its brand portfolio, advancing R&D, expanding into new growth areas, and leveraging digital and AI capabilities.

2. Overview of SLC

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| (1) Name | Shiseido Liyuan Cosmetics Co., Ltd. | |
| (2) Headquarters | No. 2 Hongda North Road, Beijing Economic-Technological Development Area, Beijing, China | |
| (3) Title and Name of Representative | Toshinobu Umetsu<br>Chairman of the Board, Legal Representative | |
| (4) Business Description | Manufacture and sale of "AUPRES" brand cosmetics | |
| (5) Capital | RMB 94 million (As of December 31, 2025) | |
| (6) Date of Establishment | December 24, 1991 | |
| (7) Major Equity Interest Holders and Equity Interest Ratio | Shiseido Group 100% | |
| (8) Relationship with the Company: | Capital Relationship | The Company: 40% (Indirect ownership: 60%) |
| | Personnel Relationship | One employee of the Company serves as Chairman of the Board and Legal Representative of SLC. In addition, three employees of the Company are seconded to SLC. |
| | Business Relationship | There are intercompany transactions between the Company and SLC involving the sale and purchase of raw materials and operational support. |
| (9) Business Performance and Financial Conditions at the end of fiscal year ended December 2025 (IFRS) | Total Equity | RMB 618 million<br>(13,876 million yen) |
| | Total Assets | RMB 900 million<br>(20,191 million yen) |
| | Net Sales | RMB 868 million<br>(18,084 million yen) |
| | Operating Profit (Loss) | (RMB 55 million)<br>(1,162 million yen) |
| | Profit (Loss) Attributable to Owners of Parent | (RMB 41 million)<br>(860 million yen) |

3. Overview of the Transferees

The Company will transfer its equity interest in SLC to a total of three entities ((1) through (3))

(1) SPV 1 (Exempted Company established by an off-shore USD fund: Equity transfer ratio 80.66%)

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| (a) | Name | Sunrise Winning Limited |
| (b) | Location | The offices of CHK Corporate Services Limited, Suite SW5, The Grand Pavilion Commercial Centre, 802 West Bay Road, PO Box 31311, Grand Cayman KY1-1206, Cayman Islands |
| (c) | Title and Name of Authorized Signatory | Chi Sing Ho |
| (d) | Business Description | Investment holding vehicle |
| (e) | Authorized Share Capital | US$50,000 |
| (f) | Date of Establishment | September 3, 2026 |
| (g) | Major Shareholders and Shareholding Ratio | IDG Breyer Capital Fund L.P. 100% |
| (h) | Relationship between the Company and the transferee | There are no notable capital, personnel, or business relationships between the Company and transferee, and the transferee is not a related party of the Company. |

(2) SPV 2 (Limited partnership enterprise established by an on-shore RMB fund in China: Equity transfer ratio 14.34%)

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|---|---|---|
| (a) | Name | Zhuhai Pulai Management Consulting Partnership (Limited Partnership)<br>(珠海朴来管理咨询合伙企业（有限合伙）) |
| (b) | Location | Room 159, 17/F, No. 91, Qinlang Road, Hengqin New District, Zhuhai, Guangdong |
| (c) | Purpose of Formation | Business Consulting |
| (d) | Date of Formation | October 29, 2026 |
| (e) | Overview of General Partner | |
| | Name | Wuhu Langye Enterprise Management Consulting Partnership (Limited Partnership)<br>(芜湖朗业企业管理咨询合伙企业（有限合伙）) |
| | Location | Room 1498 #1 Commercial Trading Service Center, Jiujiang Economic Development District, Wuhu, Anhui |
| | Representative | Wuhu Langming Enterprise Management Consulting Co., Ltd.<br>(芜湖朗铭企业管理咨询有限公司) |
| | Business Description | Business Consulting |
| | Capital | RMB 11 million |
| (f) | Partners and Contribution rate | Information of limited partners not to be disclosed |
| (g) | Relationship between the Company and the partnership | There are no notable capital, personnel, or business relationships between the Company and the partnership, and the partnership is not a related party of the Company. |

(3) Limited partnership enterprise established primarily by the new management team of SLC: Equity transfer ratio 5.00%

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|---|---|---|
| (a) | Name | Shanghai Bozhiyuan Enterprise Management Partnership (Limited Partnership)<br>（上海珀知源企业管理合伙企业（有限合伙）） |
| (b) | Location | #2 Floor, No. 696 Cao Zhi Road, Pudong New District, Shanghai |
| (c) | Purpose of Formation | Business Consulting |
| (d) | Date of Formation | October 20, 2026 |
| (e) | Overview of General Partner | |
| | Name | Shanghai Luo Xiao Man Consulting Management Co., Ltd. (上海萝小满咨询管理有限公司) |
| | Location | Room 203, Tower 13, No. 5305 Hu Nan Road, |

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| | | Pudong New District, Shanghai |
| | Representative | Xu Deng |
| | Business Description | Business Consulting |
| | Registered Capital | RMB 100,000 |
| (f) | Partners and Contribution rate | Information of limited partners not to be disclosed |
| (g) | Relationship between the Company and the partnership | There are no notable capital, personnel, or business relationships between the Company and the partnership, and the partnership is not a related party of the Company. |

4. Equity Interest Transferred, Transfer Price, and Status of Equity Interest Owned Before and After the Transfer

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| (1) | Equity Interest Owned Before Transfer | 100% |
| (2) | Equity Interest Transferred | 100% (Breakdown: Sunrise Winning Limited 80.66%, Zhuhai Pulai Management Consulting Partnership (Limited Partnership) 14.34%, Shanghai Bozhiyuan Enterprise Management Partnership (Limited Partnership) 5.00%) |
| (3) | Equity Interest Owned After Transfer | 0% |

※Transfer Price is undisclosed due to confidentiality obligations in the ETA. The transfer price was determined jointly by the parties on the basis of the due diligence results through the bilateral arm's-length negotiations.

5. Schedule

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| (1) | Decision Date (Date of Approval by Representative Corporate Executive Officer) | November 17, 2026 |
| (2) | Execution Date of Agreement | November 17, 2026 |
| (3) | Expected Closing of Equity Interest Transfer | Q4 2026 to Q1 2027 |

6. Future Outlook

The estimated impact of this transaction on the consolidated financial results for the fiscal year ending December 31, 2026 has been incorporated into the "Notice of Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2026" announced on November 10.

—End of News Release—