



(Translation)

May 22, 2023

Name of Company: Shiseido Company, Limited
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(Representative Director)
(Code No. 4911; The Prime Market of the Tokyo Stock Exchange)
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Notice of Company Split between Consolidated Subsidiaries (Absorption-type Split)

It is hereby notified that wholly owned subsidiaries of Shiseido Company, Limited (the “Company”) Shiseido Japan Company, Limited (“Shiseido Japan”) and Shiseido Pharmaceutical Company, Limited (“Shiseido Pharmaceutical”) have each made institutional decisions that they would let Shiseido Japan take over Shiseido Pharmaceutical’s business through a company split (absorption-type split).

Since this is an absorption-type split carried out between the Company’s wholly owned subsidiaries, we omit part of the matters to be disclosed. Also, Shiseido Pharmaceutical will be dissolved after the completion of the split.

1. Purpose of this absorption-type split

The Shiseido Group has established “SHIFT 2025 and Beyond,” a medium-term strategy, and will take the target periods under a new management structure to shift itself from “Defense” to “Offense” and enhance further growth to “Be a Global Winner with Our Heritage.”

Under these circumstances, the Company has targeted the “Clean & Derma*” and “Inner Beauty” domains, which continue to grow, as new growth opportunities to capture the changes among Japanese consumers, and will create new demand and deliver value by strengthening initiatives in these domains. Thus the business of Shiseido Pharmaceutical, which has brands in these domains, will be transferred to Shiseido Japan, which operates cosmetics and health care businesses in Japan, in the form of an absorption-type split.

The Company will take this opportunity to enhance its market execution capability and promote rationalization and efficiency of management through the realization of a growth strategy for its brands in this area, which will lead to improved profitability.

*A market area that combines clean cosmetics which do not contain ingredients that are considered to be likely to stimulate the skin, and derma cosmetics that are based on dermatological science.

2. Main points of the absorption-type split

(1) Schedule

Date of institutional decision (companies concerned)	May 19, 2023
Date of conclusion of an agreement of the absorption-type split	Late November 2023 (planned)
Date of the shareholder meetings that approves the absorption-type split (companies concerned)	Late December 2023 (planned)
Date of effectuation	January 1, 2024 (planned)

(2) Method

This absorption-type split involves Shiseido Pharmaceutical spinning off its business and Shiseido Japan taking it over.

(3) Allotment of shares

Since this absorption-type split is carried out between the Company's wholly owned subsidiaries, none of the subsidiaries' shares will be allotted in conjunction with the split, nor will any equivalent value be paid.

(4) Handling of subscription warrants and bonds with subscription warrants

Not applicable.

(5) Capital increase or decrease

There will be no capital increase or decrease.

(6) Rights and duties taken over by the successor company

The successor company will take over assets and liabilities and contractual statuses needed to execute business succeeded, as well as rights and obligations that accompany such.

(7) Prospect of performing obligations

The Company determines that there is no problem as to whether Shiseido Japan can perform its obligations after the absorption-type split.

3. Overview of the companies involved in the organizational restructuring

	Successor company (Shiseido Japan)	Splitting company (Shiseido Pharmaceutical)
Company name	Shiseido Japan Company, Limited	Shiseido Pharmaceutical Company, Limited
Location	5-5, Ginza 7-chome, Chuo-ku, Tokyo	5-5, Ginza 7-chome, Chuo-ku, Tokyo
Representative's name and position	Norio Tadakawa Representative Director, President	Kazuhiro Ota Representative Director, President
Main business lines	Planning and sale of cosmetics and other products	Sale of pharmaceuticals, cosmetics, and other products
Capital	100 million yen	100 million yen
Date of establishment	December 1, 1927	August 1, 1987
Number of shares issued	8,000,000	2,000
Settlement term	December 31	December 31
Major shareholders and their shareholding ratios (As of December 31, 2022)	Shiseido Company, Limited: 100%	Shiseido Company, Limited: 100%
Total Assets (IFRS) (As of December 31, 2022)	125,694 million yen	4,452 million yen

4. Future outlook

This is an absorption-type company split between the Company's wholly owned subsidiaries. We believe that the split has only minor effects on the consolidated financial results of the Shiseido Group for the fiscal year ending December 2023.

—End of News Release—