

(Translation)



December 1, 2023

Name of Company: Shiseido Company, Limited
Name of Representative: Masahiko Uotani
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(Representative Director)
(Code No. 4911; The Prime Market of the Tokyo Stock Exchange)
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Notice of a Company Split with a Consolidated Subsidiary (Simple Absorption-type Split)

Shiseido Company, Limited (the “Company”) today announced that the resolution has been adopted by the Board of Directors on December 1, 2023, to acquire a part of the business associated with **The Collagen** (the “Business”) from Shiseido Japan Company, Limited (“Shiseido Japan”), a wholly owned subsidiary of the Company, through a company split (a simple absorption-type company split hereinafter referred to as the “Absorption-type Split”) effective as of February 1, 2024.

Since this will be a simple absorption-type split (a short-form absorption-type split for Shiseido Japan) executed between the Company and its wholly owned subsidiary, a part of the information is omitted from this announcement.

1. Purpose of the Absorption-type Split:

The Collagen is Shiseido’s beauty supplement brand primarily distributed in Japan, offering our uniquely blended patented beauty ingredients. With the aim of strengthening the presence of this brand in the global beauty market, the Company has decided to take over all business functions from its brand holder* effective February 1, 2024, including marketing and promotions in Japan, as part of the procedures to establish a distribution framework aligned with our global distribution strategy going forward.

* Functions including global marketing strategy planning, product development, communication creative development, and brand management.

2. Overview of the Absorption-type Split:

(1) Schedule

Board of Directors Resolution	December 1, 2023
Conclusion of the Agreement	December 1, 2023
Effective Date	February 1, 2024

(Note) For the Company, this will be a simple absorption-type company split executed pursuant to Paragraph 2 Article 784 of the Companies Act. Therefore, the Company will not convene a general meeting of shareholders to obtain approval for entering into an agreement thereof. For Shiseido Japan, this will be a short-form absorption-type split executed pursuant to Paragraph 2 Article 784 of the Companies Act. Therefore, the Company will not convene a general meeting of shareholders to obtain approval for entering into an agreement thereof.

(2) Method of Transaction

This absorption-type split involves the Company taking over part of the business from Shiseido Japan.

(3) Allotment of Shares

Since the absorption-type split is executed between the Company and its wholly owned subsidiary, none of the Company's shares will be allotted in exchange for the split, nor will any equivalent value be paid.

(4) Stock acquisition rights and bonds with stock acquisition rights issued by 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 Company will take over assets, liabilities and contract statuses required to execute the Business or any other rights or obligations attached thereto.

(7) Performance of Obligations

The Company understands that there will be no issues with regard to the ability of Shiseido Japan to perform its obligations after the Absorption-type Split.

3. Overview of the Parties Involved in the Transaction of Absorption-type Split:

	The Succeeding Company (Shiseido Company, Limited)	The Splitting Company (Shiseido Japan)
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
Representative's Name and Position	Kentaro Fujiwara, Representative Director, President and COO	Norio Tadakawa, Representative Director, President
Main Business	Research, development, manufacture, and sale of cosmetics and other products	Planning and Sale 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
Settlement Term	December 31	December 31

	The Succeeding Company (Shiseido Company, Limited)	The Splitting Company (Shiseido Japan)
Major Shareholders and Their Shareholding Ratio (except Treasury Stock) (As of June 30, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account): 20.11% Custody Bank of Japan, Ltd. (Trust Account): 7.08% THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS: 2.08% STATE STREET BANK WEST CLIENT - TREATY 505234: 1.80% Mizuho Trust & Banking Co., Ltd. re-trusted to Custody Bank of Japan, Ltd. Employees Pension Trust for Mizuho Bank: 1.75% THE BANK OF NEW YORK 134104: 1.61% SSBTC CLIENT OMNIBUS ACCOUNT: 1.58% Nippon Life Insurance Company: 1.40% BNYM AS AGT/CLTS 10 PERCENT: 1.34% JP MORGAN CHASE BANK 385781: 1.30%	Shiseido Company, Limited: 100%
Financial position at the end of the previous fiscal year (ending December 31, 2022) (Millions of yen unless otherwise stated)		
	The Succeeding Company (Shiseido Company, Limited) (Consolidated : IFRS)	The Splitting Company (Shiseido Japan) (Parent: JGAAP)
Net Assets	625,754	29,887
Total Assets	1,307,661	113,574
Equity Attributable to Owners of Parent per Share (Yen)*	1,512.36	3,735.93
Net Sales	1,067,355	216,841
Operating Profit (Loss)	46,572	(15,610)
Profit (loss) Attributable to Owners of Parent*	34,202	(3,197)
Basic Earnings per Share or Net Loss per Share (Yen)*	85.60	(399.72)

*Net Assets per Share, Net Loss, and Net Loss per Share are provided for Shiseido Japan in accordance with JGAAP standards.

4. Overview of the business succeeded by the Company:
 - (1) Description of the business
All business functions of the brand holder of *The Collagen* including marketing and promotions in Japan.
 - (2) Operating performance of the business
Net sales are not available for the Business subject to the split.
 - (3) Asset and liability items and their book values of the business succeeded by the Company
No book value available for assets succeeded by the Company as they have all been recognized as expenses and there will be no liabilities for the Company arising from this transaction.
5. Changes in conditions and status of the Company after the split
There will be no changes to the conditions and 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 period for financial reporting.
6. Future outlook:
This will be an absorption-type company split with the Company's wholly owned subsidiary as the splitting company. As a result, this transaction will only have a limited impact on our consolidated earnings results for the fiscal year ending December 2023.

-End of News Release-