

(Translation)

May 14, 2025

Name of Company: Shiseido Company, Limited
 Name of Representative: Kentaro Fujiwara
 President and CEO
 Representative Corporate Executive Officer
 (Code No. 4911; The Prime Market of the Tokyo Stock Exchange)
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Announcement on Absorption-Type Merger (Simplified / Short-Form merger) of Wholly-Owned Subsidiary (ETWAS Co., Ltd.)

Shiseido Company, Limited (the “Company”) today announced that its Representative Corporate Executive Officers have made a decision to enter into an absorption-type merger (the “Merger”) agreement (the “Agreement”) to acquire the ownership of ETWAS Co., Ltd. (“ETWAS”), a wholly owned subsidiary which mainly undertakes in Japan the sales and manufacturing of the brands that originated in the Americas and EMEA regions, including **NARS** and **ISSEY MIYAKE PARFUMS** effective July 1, 2025. This will be a simplified absorption-type merger executed between the Company and its subsidiary, and therefore, not all information is disclosed in this announcement.

1. The purpose of the Merger

As laid out in the “Action Plan 2025-2026” launched in the end of November 2024, the Company is advancing its strategic objectives to “reinforce brand foundation”, “rebuild profitable foundation” and “enhance operational governance” towards establishing a resilient business model to drive sustainable profit growth amid volatile market conditions.

To achieve this end, the Company has made a decision to acquire the ownership of ETWAS through an absorption-type merger as part of the process to improve its operational efficiency.

2. Transaction overview

1) Schedule

Date of Approval by the Representative Corporate Executive Officers	May 14, 2025
Execution Date	May 23, 2025 (planned)
Effective Date of Merger	July 1, 2025 (planned)

Note: This will be a simple absorption-type merger executed by the Company pursuant to Paragraph 2 Article 796 of the Companies Act, and by ETWAS pursuant to Paragraph 1 Article 784 of the said Act, and therefore, neither party is required to convene a general meeting of shareholders to obtain approval for entering into the Agreement.

2) Transaction method

This will be an absorption-type merger executed by the Company as the acquiring entity with ETWAS being the acquired entity to be dissolved after the Merger.

3) Share allotment

The Company owns all of the issued shares of ETWAS, and therefore, there will be no allotment of shares or a payment in the form of cash or other kinds.

4) Stock acquisition rights or bonds with stock acquisition rights issued in connection with the Merger.
Not applicable.

3. Corporate profiles of the parties involved in the Merger:

	Acquiring Entity	Acquired Entity
Name	Shiseido Company, Limited	ETWAS Co., Ltd.
Location	5-5, Ginza 7-chome, Chuo-Ku, Tokyo	17-15, Ginza 7-chome, Chuo-Ku, Tokyo
Name and Title of Representative	Kentaro Fujiwara Representative Corporate Executive Officer President and CEO	Tadanao Kajitani Representative Director President
Main Business Activities	Research and development, manufacturing, and selling of cosmetics and other products	Manufacturing and selling of cosmetics and other products
Capital	64,506 million yen	100 million yen
Date of Establishment	June 24, 1927	February 1, 1991
Number of Shares Issued	400,000,000	2,000
Fiscal Year-End	December 31	December 31
Major Shareholders and Shareholding Ratio (excluding Treasury Stock) (As of December 31, 2024)	<p>The Master Trust Bank of Japan, Ltd. (Trust Account): 19.07%</p> <p>Custody Bank of Japan, Ltd. (Trust Account): 6.77%</p> <p>JPMorgan Securities Japan Co., Ltd.: 2.44%</p> <p>GOVERNMENT OF NORWAY: 2.36%</p> <p>STATE STREET BANK AND TRUST COMPANY 505001 2.12%</p> <p>STATE STREET BANK WEST CLIENT - TREATY 505234: 1.89%</p> <p>Mizuho Trust & Banking Co., Ltd. re-trusted to Custody Bank of Japan, Ltd. Employees Pension Trust for Mizuho Bank: 1.75%</p> <p>SMBC Nikko Securities Inc.: 1.68%</p>	Shiseido Company, Limited: 100%

	THE BANK OF NEW YORK 134104: 1.58%	
	Nippon Life Insurance Company: 1.40%	

Financial position at the end of the fiscal year ended December 31, 2024

(Millions of yen)

	Acquiring Entity (Shiseido Company, Limited) (Consolidated: IFRS)	Acquired Entity (ETWAS Co., Ltd.) (Unconsolidated: IFRS)
Total Equity	654,643	320
Total Assets	1,331,848	1,360
Net Sales	990,586	6,833
Operating Profit	7,575	34
Profit Attributable to Owners of Parent	(10,813)	22

4. Changes in conditions and status of the Company after the Merger

There will be no changes to the conditions and/or the status of the Company including, but not limited to its name, address, the name and title of its Representative, nature of the business, capital structure, or a fiscal year accounting period as a result of the Merger.

5. Expected impact on earnings

This will be an absorption-type merger executed between the Company and its wholly owned subsidiary, and therefore, it will only have a limited impact on our consolidated financial results for the fiscal year ending December 2025.

—End of News Release—