August 5, 2026

Consolidated Settlement of Accounts for the Six Months Ended June 30, 2026 [IFRS]

Shiseido Company, Limited

Listings: Tokyo Stock Exchange (Code Number 4911)
URL: https://corp.shiseido.com/en/
Representative: Kentaro Fujiwara, Representative Corporate Executive Officer, President and CEO
Contact: Yuki Oshima, Vice President, Investor Relations Department
Tel. +81-3-3572-5111
Filing date of semi-annual securities report: August 5, 2026 (plan)
Start of cash dividend payments: September 3, 2026 (plan)
Supplementary materials prepared: Yes
Financial results information meeting held: Yes (for institutional investors and analysts, etc.)

1. Performance for the Six Months Ended June 30, 2026 (From January 1, 2026 to June 30, 2026)

* Amounts less than one million yen have been rounded down.

(1) Consolidated Operating Results

(Millions of yen; percentage increase (decrease) figures denote year-on-year change)

	Net Sales	%	Core Operating Profit	%	Operating Profit	%	Profit Before Tax	%	Profit Attributable to Owners of Parent	%	Total Comprehensive Income	%
Six Months Ended June 30, 2026	498,965	[6.2]	44,432	[90.1]	41,925	[131.8]	44,200	[130.2]	29,697	[211.4]	43,329	[−]
Six Months Ended June 30, 2025	469,831	[(7.6)]	23,372	[21.3]	18,084	[−]	19,202	[356.4]	9,535	[−]	(15,744)	[−]

[Reference] Profit

Six months ended June 30, 2026: ¥29,014 million [219.5%]
Six months ended June 30, 2025: ¥9,080 million [−%]

	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Six Months Ended June 30, 2026	74.32	74.30
Six Months Ended June 30, 2025	23.87	23.86

Note: Core operating profit is calculated as operating profit excluding profits or losses incurred by non-ordinary factors (non-recurring items), such as costs and expenses related to structural reforms, impairment losses, acquisitions, etc.

Year-on-year percentage changes are indicated as (−) if figures for either or both the current and previous interim periods are negative, or if the percentage change is 1,000% or higher.

(2) Consolidated Financial Position

(Millions of yen)

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent
As of June 30, 2026	1,273,863	653,951	636,618	50.0%
As of December 31, 2025	1,267,256	621,270	600,756	47.4%

2. Cash Dividends

	Cash Dividends per Share (Yen)				
	Q1	Q2	Q3	Year-End	Full Year
Fiscal Year 2025	―	20.00	―	20.00	40.00
Fiscal Year 2026	―	30.00	―		
Fiscal Year 2026 (Forecast)			―	30.00	60.00

Note: Revision to the most recently disclosed dividend forecast: None

3. Forecast for the Fiscal Year Ending December 31, 2026 (From January 1, 2026 to December 31, 2026)

(Millions of yen; percentage figures denote year-on-year change)

	Net Sales		Core Operating Profit		Operating Profit		Profit Before Tax		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
		%		%		%		%		%	
Fiscal Year 2026	990,000	[2.1]	69,000	[55.0]	59,000	[―]	60,000	[―]	42,000	[―]	105.12

Note: Revision to the most recently disclosed performance forecast: None

Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies; changes in accounting estimates
1) Changes in accounting policies required by IFRS: None
2) Other changes in accounting policies: None
3) Changes in accounting estimates: None

(3) Number of shares issued (ordinary shares)
1) Number of shares issued (including treasury shares)

As of June 30, 2026:	400,000,000
As of December 31, 2025:	400,000,000

2) Number of treasury shares

As of June 30, 2026:	375,638
As of December 31, 2025:	463,674

3) Average number of shares outstanding during the period

Six months ended June 30, 2026:	399,561,710
Six months ended June 30, 2025:	399,443,535

This semi-annual financial report is not subject to review procedures by a certified public accountant or audit firm.

Appropriate use of business forecasts; other special items
(Cautionary note concerning forward-looking statements)
In this report, statements other than historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements. Please refer to "1. Summary of Consolidated Financial Results for the Six Months Ended June 30, 2026 (3) Consolidated Forecast and Other Forward-Looking Information" on page 5 for information on preconditions underlying the above outlook and other related information.

Contents

1. Summary of Consolidated Financial Results for the Six Months Ended June 30, 2026

(1) Consolidated Performance

(Millions of yen)

	Net Sales	Core Operating Profit	Operating Profit	Profit before Tax	Profit Attributable to Owners of Parent	EBITDA
Six Months Ended June 30, 2026	498,965	44,432	41,925	44,200	29,697	70,017
Six Months Ended June 30, 2025	469,831	23,372	18,084	19,202	9,535	48,540
Year-on-Year Increase (Decrease)	6.2%	90.1%	131.8%	130.2%	211.4%	44.2%
FX-Neutral	(0.6)%					
Like-for-Like	(0.2)%					

Notes:
1. Core operating profit is calculated as operating profit excluding profits or losses incurred by non-ordinary factors (non-recurring items), such as costs of structural reforms, impairment losses, acquisition-related costs, etc.
2. EBITDA is calculated by adding depreciation and amortization expenses (excluding depreciation of right-of-use assets) to core operating profit.
3. Like-for-like increase (decrease) in net sales excludes the impacts of foreign exchange translation and all business transfers in the first six months of fiscal year 2026 and 2025, as well as the services provided during the transition period ("business transfer impacts").

For the summary of operating results and details by reportable segment, please refer to the financial results presentation materials for the First Half of the fiscal year ending December 31, 2026, posted on TDnet and the Company's corporate information website (https://corp.shiseido.com/en/ir/library/tanshin/) on the same day as this consolidated settlement of accounts.

[Consolidated Performance]

(Millions of yen)

	Classification	Six Months Ended June 30, 2026	% of Total	Six Months Ended June 30, 2025	% of Total	Year-on-Year Increase (Decrease)			
						Amount	Percentage	FX-Neutral	Like-for-Like
Net Sales	Japan Business	144,701	29.0%	145,872	31.0%	(1,170)	(0.8)%	(0.8)%	(0.4)%
	China & Travel Retail Business	191,406	38.4%	173,941	37.0%	17,465	10.0%	(0.1)%	(0.1)%
	Asia Pacific Business	37,064	7.4%	33,663	7.2%	3,400	10.1%	1.9%	2.1%
	Americas Business	54,572	10.9%	51,469	11.0%	3,102	6.0%	(0.9)%	(0.9)%
	EMEA Business	66,863	13.4%	59,499	12.7%	7,363	12.4%	(1.2)%	(1.2)%
	Other	4,357	0.9%	5,386	1.1%	(1,029)	(19.1)%	(20.0)%	6.2%
	Total	498,965	100.0%	469,831	100.0%	29,133	6.2%	(0.6)%	(0.2)%

	Classification	Total sales including intersegment sales and internal transfers between segments	
		Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net Sales	Japan Business	145,002	146,605
	China & Travel Retail Business	193,318	175,463
	Asia Pacific Business	37,732	34,186
	Americas Business	56,608	54,079
	EMEA Business	70,113	62,320
	Other	4,905	6,651
	Subtotal	507,680	479,308
	Adjustments	(8,715)	(9,476)
	Total	498,965	469,831

(Millions of yen)

	Classification	Six Months Ended June 30, 2026	Ratio to Net Sales	Six Months Ended June 30, 2025	Ratio to Net Sales	Year-on-Year Increase (Decrease)	
						Amount	Percentage
Core Operating Profit (Loss)	Japan Business	20,911	14.4%	19,506	13.3%	1,404	7.2%
	China & Travel Retail Business	47,630	24.6%	38,811	22.1%	8,819	22.7%
	Asia Pacific Business	2,222	5.9%	(129)	(0.4)%	2,351	—
	Americas Business	2,015	3.6%	(5,830)	(10.8)%	7,846	—
	EMEA Business	(3,393)	(4.8)%	(2,557)	(4.1)%	(835)	—
	Other	(173)	(3.5)%	(900)	(13.5)%	726	—
	Subtotal	69,212	13.6%	48,899	10.2%	20,313	41.5%
	Adjustments	(24,779)	—	(25,526)	—	746	—
	Total	44,432	8.9%	23,372	5.0%	21,059	90.1%

Notes:
1. Like-for-like increase (decrease) in net sales excludes the impacts of foreign exchange translation and business transfer.
2. The “Other” includes the restaurant business, etc.
3. The ratio of core operating profit (loss) to net sales shows core operating profit or loss as a percentage of total sales including intersegment sales and internal transfers between segments.
4. The “Adjustments” in core operating profit (loss) primarily reflects the head office expenses that are not allocated to each reportable segment, the difference between the allocation amount to each reportable segment and the actual amount and cost difference, etc. The head office expenses are incurred mainly by head office and R&D, etc.

(2) Financial Position

Total assets increased by ¥6.6 billion from the end of the previous fiscal year to ¥1,273.9 billion, from an increase in cash and cash equivalents and increase in inventories which outweighed decrease in trade and other payables, and a decrease in property, plant and equipment. Liabilities decreased by ¥26.1 billion to ¥619.9 billion, primarily due to a decrease in trade and other payables which outweighed an increase in short-term borrowings. Equity increased by ¥32.7 billion to ¥654.0 billion, primarily due to an increase in retained earnings due to profit and an increase in exchange differences on translation of foreign operations due to the yen depreciation which was partially offset by a decrease in retained earnings associated with dividend payments.

The net debt-to-equity ratio, which indicates the ratio of interest-bearing debt (excluding lease liabilities) less cash and cash equivalents to equity attributable to owners of parent, was 0.15.

(Cash flow analysis)
Cash and cash equivalents at the end of the first six months of fiscal year 2026 stood at ¥105.7 billion, representing an increase of ¥13.8 billion from ¥91.8 billion at the beginning of the current fiscal year.

(Cash Flows from Operating Activities)
Net cash provided by operating activities in the first six months of fiscal year 2026 decreased by ¥6.2 billion to ¥31.6 billion. The operating cash flow during the period mainly reflected increase factors such as ¥44.2 billion in Profit before tax, ¥35.9 billion in Depreciation and amortization and ¥9.6 billion in Decrease (increase) in trade receivables, etc., and decrease factors such as ¥24.3 billion in Increase (decrease) in trade payables and ¥9.5 billion in Increase (decrease) in other current liabilities, etc.

(Cash Flows from Investing Activities)
Net cash used in investing activities in the first six months of fiscal year 2026 decreased by ¥11.3 billion to ¥9.1 billion. The investing cash flow during the period mainly reflected ¥11.7 billion in Purchase of property, plant and equipment such as investment in factory equipment and ¥5.5 billion in Purchase of intangible assets such as investment in IT systems.

(Cash Flows from Financing Activities)
Net cash used by financing activities in the first six months of fiscal year 2026 decreased by ¥19.2 billion to ¥12.2 billion. The financing cash flow during the period mainly reflected cash outflows such as ¥12.6 billion in Repayments of lease liabilities and ¥8.0 billion in Payment of cash dividends, as well as cash inflows such as ¥13.0 billion in Increase of short-term borrowings.

Consolidated Statements of Cash Flows (Summary)

(Billions of yen)

Category	Amount
Cash and cash equivalents at beginning of period	91.8
Net cash provided by (used in) operating activities	31.6
Net cash provided by (used in) investing activities	(9.1)
Net cash provided by (used in) financing activities	(12.2)
Effect of exchange rate changes on cash and cash equivalents	3.5
Net change in cash and cash equivalents (decrease)	13.8
Cash and cash equivalents at end of period	105.7

(3) Consolidated Forecast and Other Forward-Looking Information

The consolidated earnings forecast remains unchanged from the previous forecast announced on February 10, 2026 in the "Consolidated Settlement of Accounts for the Fiscal Year Ended December 31, 2025."

2. Interim Condensed Consolidated Financial Statements and Notes

(1) Interim Condensed Consolidated Statement of Financial Position

	As of December 31, 2025	As of June 30, 2026
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	91,839	105,671
Trade and other receivables	163,329	156,715
Inventories	147,135	151,620
Other financial assets	28,265	22,663
Other current assets	40,944	43,945
Total current assets	471,514	480,615
Non-current assets		
Property, plant and equipment	283,813	276,319
Goodwill	58,793	60,869
Intangible assets	176,116	175,573
Right-of-use assets	87,985	89,818
Investments accounted for using equity method	2,972	2,947
Other financial assets	96,401	99,773
Retirement benefit asset	35,998	36,176
Deferred tax assets	45,021	42,803
Other non-current assets	8,639	8,965
Total non-current assets	795,741	793,247
Total assets	1,267,256	1,273,863

	As of December 31, 2025	As of June 30, 2026
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	141,571	104,842
Bonds and borrowings	30,000	73,000
Lease liabilities	20,205	20,737
Other financial liabilities	20,271	22,272
Income taxes payable	7,931	14,268
Provisions	7,734	4,044
Other current liabilities	117,275	110,152
Total current liabilities	344,989	349,318
Non-current liabilities		
Bonds and borrowings	181,617	151,640
Lease liabilities	91,337	91,519
Other financial liabilities	2,635	2,403
Retirement benefit liability	6,186	6,238
Provisions	4,446	4,635
Deferred tax liabilities	3,387	2,753
Other non-current liabilities	11,384	11,404
Total non-current liabilities	300,996	270,593
Total liabilities	645,985	619,912
Equity		
Share capital	64,506	64,506
Capital surplus	65,855	65,261
Treasury shares	(1,868)	(1,512)
Retained earnings	320,612	342,697
Other components of equity	151,650	165,666
Total equity attributable to owners of parent	600,756	636,618
Non-controlling interests	20,513	17,332
Total equity	621,270	653,951
Total liabilities and equity	1,267,256	1,273,863

(2) Interim Condensed Consolidated Statement of Profit or Loss and Interim Condensed Consolidated Statement of Comprehensive Income

Interim Condensed Consolidated Statement of Profit or Loss
Six Months Ended June 30

	Six months ended June 30, 2025	Six months ended June 30, 2026
	Millions of yen	Millions of yen
Net sales	469,831	498,965
Cost of sales	106,608	106,071
Gross profit	363,223	392,894
Selling, general and administrative expenses	347,525	356,288
Other operating income	2,829	5,324
Other operating expenses	442	4
Operating profit	18,084	41,925
Finance income	3,606	5,044
Finance costs	2,800	3,041
Share of profit of investment accounted for using equity method	312	272
Profit before tax	19,202	44,200
Income tax expense	10,122	15,186
Profit	9,080	29,014
Profit attributable to		
Owners of parent	9,535	29,697
Non-controlling interests	(455)	(683)
Profit	9,080	29,014
Earnings per share		
Basic earnings per share (yen)	23.87	74.32
Diluted earnings per share (yen)	23.86	74.30

Interim Condensed Consolidated Statement of Comprehensive Income
Six Months Ended June 30

	Six months ended June 30, 2025	Six months ended June 30, 2026
	Millions of yen	Millions of yen
Profit	9,080	29,014
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	59	(351)
Remeasurements of defined benefit plans	66	—
Share of other comprehensive income of investments accounted for using equity method	—	(7)
Total of items that will not be reclassified to profit or loss	125	(359)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(24,792)	14,591
Share of other comprehensive income of investments accounted for using equity method	(158)	83
Total of items that may be reclassified to profit or loss	(24,950)	14,674
Other comprehensive income, net of tax	(24,824)	14,315
Comprehensive income	(15,744)	43,329
Comprehensive income attributable to		
Owners of parent	(14,955)	43,372
Non-controlling interests	(789)	(42)
Comprehensive income	(15,744)	43,329

(3) Interim Condensed Consolidated Statement of Changes in Equity

Six Months Ended June 30, 2025 (From January 1, 2025 to June 30, 2025)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2025	64,506	74,138	(2,325)	356,877	139,277	―
Profit (loss)				9,535		
Other comprehensive income					(24,653)	96
Total comprehensive income	―	―	―	9,535	(24,653)	96
Purchase of treasury shares			(1)			
Disposal of treasury shares			410	(145)		
Dividends				(3,994)		
Changes in ownership interest in subsidiaries		(16)				
Share-based payment transactions		(397)		603		
Transfer to retained earnings				162		(96)
Other				(37)		
Total transactions with owners	―	(413)	409	(3,411)	―	(96)
Balance as of June 30, 2025	64,506	73,725	(1,916)	363,001	114,623	―

	Equity attributable to owners of parent				
	Other components of equity				
	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2025	―	139,277	632,474	22,169	654,643
Profit (loss)		―	9,535	(455)	9,080
Other comprehensive income	66	(24,491)	(24,491)	(333)	(24,824)
Total comprehensive income	66	(24,491)	(14,955)	(789)	(15,744)
Purchase of treasury shares		―	(1)		(1)
Disposal of treasury shares		―	265		265
Dividends		―	(3,994)	(1,219)	(5,213)
Changes in ownership interest in subsidiaries		―	(16)	16	―
Share-based payment transactions		―	206		206
Transfer to retained earnings	(66)	(162)	―		―
Other		―	(37)	22	(15)
Total transactions with owners	(66)	(162)	(3,578)	(1,180)	(4,758)
Balance as of June 30, 2025	―	114,623	613,940	20,199	634,139

Six Months Ended June 30, 2026 (From January 1, 2026 to June 30, 2026)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2026	64,506	65,855	(1,868)	320,612	151,650	—
Profit (loss)				29,697		
Other comprehensive income					14,015	(333)
Total comprehensive income	—	—	—	29,697	14,015	(333)
Purchase of treasury shares			(1)			
Disposal of treasury shares			357	(22)		
Dividends				(7,990)		
Changes in ownership interest in subsidiaries		165				
Share-based payment transactions		(759)		728		
Transfer to retained earnings				(341)		333
Other				12		
Total transactions with owners	—	(593)	355	(7,612)	—	333
Balance as of June 30, 2026	64,506	65,261	(1,512)	342,697	165,666	—

	Equity attributable to owners of parent				
	Other components of equity				
	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of January 1, 2026	—	151,650	600,756	20,513	621,270
Profit (loss)		—	29,697	(683)	29,014
Other comprehensive income	(7)	13,674	13,674	640	14,315
Total comprehensive income	(7)	13,674	43,372	(42)	43,329
Purchase of treasury shares		—	(1)		(1)
Disposal of treasury shares		—	334		334
Dividends		—	(7,990)	(1,947)	(9,938)
Changes in ownership interest in subsidiaries		—	165	(175)	(10)
Share-based payment transactions		—	(30)		(30)
Transfer to retained earnings	7	341	—		—
Other		—	12	(1,013)	(1,001)
Total transactions with owners	7	341	(7,510)	(3,137)	(10,648)
Balance as of June 30, 2026	—	165,666	636,618	17,332	653,951

(4) Interim Condensed Consolidated Statement of Cash Flows

	Six months ended June 30, 2025	Six months ended June 30, 2026
	Millions of yen	Millions of yen
Cash flows from operating activities:		
Profit before tax	19,202	44,200
Depreciation and amortization	35,411	35,910
Impairment losses (reversal of impairment losses)	15	147
Loss (gain) on disposal of non-current assets	1,019	456
Increase (decrease) in retirement benefit asset or liability	419	(156)
Interest and dividend income	(3,597)	(4,615)
Interest expenses	2,284	2,622
Share of profit of investments accounted for using equity method	(312)	(272)
Decrease (increase) in trade receivables	12,662	9,614
Decrease (increase) in inventories	5,201	(674)
Increase (decrease) in trade payables	(28,771)	(24,322)
Increase (decrease) in other current liabilities	(872)	(9,542)
Other	(1,896)	(15,325)
Subtotal	40,767	38,043
Interest and dividends received	1,285	1,481
Interest paid	(1,919)	(2,069)
Income taxes refund (paid)	(2,246)	(5,812)
Net cash provided by (used in) operating activities	37,888	31,642
Cash flows from investing activities:		
Payments into time deposits	(12,690)	(15,374)
Proceeds from withdrawal of time deposits	14,132	21,817
Purchase of property, plant and equipment	(10,584)	(11,732)
Proceeds from sales of property, plant and equipment and intangible assets	16	361
Purchase of intangible assets	(12,160)	(5,452)
Other	878	1,257
Net cash provided by (used in) investing activities	(20,407)	(9,123)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings and commercial papers	6,079	13,000
Redemption of bonds	(20,000)	—
Purchase of treasury shares	(1)	(1)
Proceeds from disposal of treasury shares	0	0
Dividends paid	(4,009)	(8,028)
Dividends paid to non-controlling interests	(1,611)	(4,173)
Repayments of lease liabilities	(11,587)	(12,629)
Other	(285)	(363)
Net cash provided by (used in) financing activities	(31,415)	(12,195)
Net decrease in cash and cash equivalents	(13,935)	10,323
Cash and cash equivalents at beginning of period	98,479	91,839
Effect of exchange rate changes on cash and cash equivalents	(3,027)	3,509
Cash and cash equivalents at end of period	81,517	105,671

(5) Notes Concerning Interim Condensed Consolidated Financial Statements

(Note on Assumptions of a Going Concern)

Not applicable.

(Change in Presentation)

(Condensed Interim Consolidated Statement of Cash Flows)

"Increase (decrease) in other current liabilities" under "Cash flows from operating activities," which was included in "Other" in the six months ended June 30, 2025, has been stated as a separate account item from the six months ended June 30, 2026 as the amount is material.

In addition, "Increase (decrease) in provisions for structural reform" under "Cash flows from operating activities," which had been stated as a separate account item in the six months ended June 30, 2025, has been included in "Other" from the six months ended June 30, 2026 as the amount is no longer material.

In order to reflect this change in presentation, interim condensed consolidated financial statement of cash flows for the six months ended June 30, 2025 has been reclassified.

As a result, ¥(872) million, which was included in "Other" under "Cash flows from operating activities" in the interim condensed consolidated financial statement of cash flows for the six months ended June 30, 2025 has been reclassified to "Increase (decrease) in other current liabilities".

In addition, ¥2,564 million, which had been presented as "Increase (decrease) in provisions for structural reform" under "Cash flows from operating activities" in the interim condensed consolidated financial statement of cash flows for the six months ended June 30, 2025, has been reclassified to "Other."

(Segment Information, etc.)

(1) Overview of Reportable Segments

The Group's operating segment is a component whose separate financial data is available and that is regularly reviewed by the management in order to make decisions on allocation of managerial resources and assess business performance.

The Group's main business is the manufacturing and sale of cosmetics. The Group engages in business activities under a matrix organization encompassing brand categories based on consumer purchasing style and five regions (Japan, China & Travel Retail, Asia Pacific, Americas, and EMEA). This matrix organization gives the leader in each region broad authority as well as responsibility for sales and profits to ensure flexible decision-making. In specific terms, the Group's five reportable segments, which mainly refer to regions, are the "Japan Business," "China & Travel Retail Business," "Asia Pacific Business," "Americas Business," and "EMEA Business."

The "Japan Business" mainly comprises domestic business by brand category (Prestige, Fragrance, Premium, etc.) and the healthcare business (sale of health & beauty foods as well as over-the-counter drugs, etc.).

The "China & Travel Retail Business" covers business in Chinese Mainland, Hong Kong and the operation of worldwide duty-free stores by brand category (Prestige, Fragrance, Cosmetics, etc.).

The "Asia Pacific Business" covers business in the Asia and Oceania regions excluding Japan and Chinese Mainland and Hong Kong by brand category (Prestige, Fragrance, Cosmetics, etc.).

The "Americas Business" covers business in the Americas region by brand category (Prestige, Fragrance, etc.).

The "EMEA Business" covers business in Europe, the Middle East and Africa regions by brand category (Prestige, Fragrance, etc.).

The "Other" includes the restaurant business, etc.

(2) Method to Determine Sales and Profit (Loss) by Reportable Segment

Profit by reportable segments is stated on the basis of core operating profit, which is operating profit (loss) calculated by excluding profits or losses incurred by non-ordinary factors (non-recurring items) such as structural reform expenses, impairment losses, acquisition related costs, etc.

Intersegment transaction pricing and transfer pricing are determined based on prevailing market prices.

(3) Segment Revenue and Business Result

Revenue and business results by reportable segment of the Group are as follows.

Six Months Ended June 30, 2025(From January 1, 2025 to June 30, 2025)

(Millions of yen)

	Reportable Segment				
	Japan Business	China & Travel Retail Business	Asia Pacific Business	Americas Business	EMEA Business (Note 1)
Net sales					
Sales to external customers	145,872	173,941	33,663	51,469	59,499
Intersegment sales or transfer	733	1,522	523	2,610	2,821
Total	146,605	175,463	34,186	54,079	62,320
Segment profit (loss) i.e. Core operating profit	19,506	38,811	(129)	(5,830)	(2,557)

	Other (Note 2)	Total	Adjustments (Note 3)	Consolidation
Net sales				
Sales to external customers	5,386	469,831	—	469,831
Intersegment sales or transfer	1,265	9,476	(9,476)	—
Total	6,651	479,308	(9,476)	469,831
Segment profit (loss) i.e. Core operating profit	(900)	48,899	(25,526)	23,372

Note:

1. The “EMEA Business” includes the Middle East and Africa regions.
2. The “Other” includes the restaurant business, etc.
3. The “Adjustments” in core operating profit (loss) primarily reflects the head office expenses that are not allocated to each operating segment (¥(33,767) million), the difference between the allocation amount to each operating segment and the actual amount (¥3,092 million) and cost difference (¥5,349 million), etc. The expenses are incurred mainly by head office, R&D, etc.

Six Months Ended June 30, 2026 (From January 1, 2026 to June 30, 2026)

(Millions of yen)

	Reportable Segment				
	Japan Business	China & Travel Retail Business	Asia Pacific Business	Americas Business	EMEA Business (Note 1)
Net sales					
Sales to external customers	144,701	191,406	37,064	54,572	66,863
Intersegment sales or transfer	300	1,912	667	2,036	3,249
Total	145,002	193,318	37,732	56,608	70,113
Segment profit (loss) i.e. Core operating profit	20,911	47,630	2,222	2,015	(3,393)

	Other (Note 2)	Total	Adjustments (Note 3)	Consolidation
Net sales				
Sales to external customers	4,357	498,965	—	498,965
Intersegment sales or transfer	547	8,715	(8,715)	—
Total	4,905	507,680	(8,715)	498,965
Segment profit (loss) i.e. Core operating profit	(173)	69,212	(24,779)	44,432

Note:
1. The “EMEA Business” includes the Middle East and Africa regions.
2. The “Other” includes the restaurant business, etc.
3. The “Adjustments” in core operating profit (loss) primarily reflects the head office expenses that are not allocated to each operating segment (¥(29,217) million), the difference between the allocation amount to each operating segment and the actual amount (¥5,789 million) and cost difference (¥(1,432) million), etc. The expenses are incurred mainly by head office, R&D, etc.

Adjustments from segment profit to operating profit (loss) as follows:

	Six months ended June 30, 2025	Six months ended June 30, 2026
	Millions of yen	Millions of yen
Segment profit	23,372	44,432
Structural reform expenses	(4,817)	(1,952)
Impairment losses	(255)	(37)
Reversal of impairment losses	239	4
Gain on sale of non-current assets	—	17
Acquisition-related costs	(25)	—
One-time costs related to internal system changes	(18)	—
Other	(410)	(540)
Operating profit	18,084	41,925

"Structural reform expenses" for the six months ended June 30, 2025 are the costs associated with the "Action Plan 2025-2026" such as the costs for workforce reductions in Americas Business. The expenses are included in "Cost of sales," and "Selling, general and administrative expenses" in the interim condensed consolidated statement of profit or loss.

"Structural reform expenses" for the six months ended June 30, 2026 are the costs associated with the "Action Plan 2025-2026" and the costs associated with the "2030 Medium-Term Strategy" related to the closure of the Hsinchu Factory of Taiwan Shiseido Co., Ltd., a consolidated subsidiary. The expenses are included in "Cost of sales," "Selling, general and administrative expenses" and "Other operating expenses" in the interim condensed consolidated statement of profit or loss.

"Acquisition-related costs" for the six months ended June 30, 2025 are the direct costs associated with the acquisition of DDG Skincare Holdings LLC. The expenses are included in "Selling, general and administrative expenses" in the interim condensed consolidated statement of profit or loss.

"One-time costs related to internal system changes" for the six months ended June 30, 2025 are included in "Selling, general and administrative expenses" in the interim condensed consolidated statement of profit or loss.