November 10, 2026

Consolidated Settlement of Accounts for the Nine Months Ended September 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
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Start of cash dividend payments: -
Supplementary materials prepared: Yes
Quarterly financial results information meeting held: Yes (for institutional investors and analysts, etc.)

1. Performance for the Nine Months Ended September 30, 2026 (From January 1, 2026 to September 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
	%	%	%	%	%	%
Nine Months Ended September 30, 2026	741,143 [6.8]	67,458 [124.3]	63,456 [−]	65,286 [−]	44,385 [−]	45,255 [−]
Nine Months Ended September 30, 2025	693,817 [(4.0)]	30,080 [9.7]	(33,350) [−]	(32,518) [−]	(43,983) [−]	(56,111) [−]

[Reference] Profit

Nine months ended September 30, 2026: ¥44,048 million [−%]
Nine months ended September 30, 2025: ¥(44,061) million [−%]

	Basic Earnings per Share (Yen)	Diluted Earnings per Share (Yen)
Nine Months Ended September 30, 2026	111.08	111.04
Nine Months Ended September 30, 2025	(110.10)	(110.10)

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 and expenses related to structural reforms, impairment losses, acquisitions, etc.
2. Year-on-year percentage changes are indicated as (—) if figures for either or both the current and previous periods are negative, or if the percentage change is 1,000% or higher.
3. In the first nine months of fiscal year 2025, there were 178 thousand dilutive potential ordinary shares. However, as they had an anti-dilutive effect, they have been excluded from the calculation of diluted loss per share.

(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 September 30, 2026	1,238,350	639,337	625,343	50.5%
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	1,025,000 [5.7]	87,000 [95.4]	87,000 [—]	87,500 [—]	62,000 [—]	155.16

Note: Revision to the most recently disclosed performance forecast:Yes

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 September 30, 2026: 400,000,000
As of December 31, 2025: 400,000,000
2) Number of treasury shares
As of September 30, 2026: 373,299
As of December 31, 2025: 463,674
3) Average number of shares outstanding during the period
Nine months ended September 30, 2026: 399,583,295
Nine months ended September 30, 2025: 399,471,470

Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountant or an audit firm: Yes (voluntary)

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 Nine Months Ended September 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 Nine Months Ended September 30, 2026 2
(1) Consolidated Performance 2
(2) Financial Position 4
(3) Consolidated Forecast and Other Forward-Looking Information 5

2. Condensed Quarterly Consolidated Financial Statements and Notes 7
(1) Condensed Quarterly Consolidated Statement of Financial Position 7
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income 9
(3) Condensed Quarterly Consolidated Statement of Changes in Equity 11
(4) Condensed Quarterly Consolidated Statement of Cash Flows 13
(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements 14
(Applicable Financial Reporting Framework) 14
(Note on Assumptions of a Going Concern) 14
(Change in Presentation) 14
(Segment Information, etc.) 14

Independent Auditor's Report on Review of Condensed Quarterly Consolidated Financial Statements ... 18

1. Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2026

(1) Consolidated Performance

(Millions of yen)

	Net Sales	Core Operating Profit	Operating Profit (Loss)	Profit (Loss) before Tax	Profit (Loss) Attributable to Owners of Parent	EBITDA
Nine Months Ended September 30, 2026	741,143	67,458	63,456	65,286	44,385	106,162
Nine Months Ended September 30, 2025	693,817	30,080	(33,350)	(32,518)	(43,983)	67,942
Year-on-Year Increase (Decrease)	6.8%	124.3%	—	—	—	56.3%
FX-Neutral	0.2%					
Like-for-Like	0.7%					

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, and 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 excluding the impacts of foreign exchange translation and all business transfers in the first nine months of fiscal year 2026 and 2025, as well as the services provided during the transition period ("business transfer").

For the summary of operating results and details by reportable segment, please refer to the financial results presentation materials for the third quarter 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		Nine Months Ended September 30, 2026	% of Total	Nine Months Ended September 30, 2025	% of Total	Year-on-Year Increase (Decrease)			
						Amount	Percentage	FX-Neutral	Like-for-Like
Net Sales	Japan Business	217,365	29.3%	219,105	31.6%	(1,740)	(0.8)%	(0.8)%	(0.4)%
	China & Travel Retail Business	268,483	36.2%	240,036	34.6%	28,446	11.9%	1.2%	1.2%
	Asia Pacific Business	58,167	7.8%	52,504	7.6%	5,662	10.8%	3.5%	3.7%
	Americas Business	84,470	11.4%	78,187	11.3%	6,283	8.0%	0.6%	0.6%
	EMEA Business	106,099	14.3%	96,121	13.9%	9,978	10.4%	(0.7)%	(0.7)%
	Other	6,556	0.9%	7,861	1.1%	(1,305)	(16.6)%	(17.2)%	20.8%
	Total	741,143	100.0%	693,817	100.0%	47,326	6.8%	0.2%	0.7%

Classification		Total sales including intersegment sales and internal transfers between segments	
		Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Net Sales	Japan Business	217,809	220,085
	China & Travel Retail Business	271,296	242,304
	Asia Pacific Business	59,077	53,415
	Americas Business	87,488	81,553
	EMEA Business	110,877	100,137
	Other	7,298	9,454
	Subtotal	753,847	706,950
	Adjustments	(12,703)	(13,133)
	Total	741,143	693,817

(Millions of yen)

Classification		Nine Months Ended September 30, 2026	Ratio to Net Sales	Nine Months Ended September 30, 2025	Ratio to Net Sales	Year-on-Year Increase (Decrease)	
						Amount	Percentage
Core Operating Profit (Loss)	Japan Business	34,213	15.7%	27,928	12.7%	6,285	22.5%
	China & Travel Retail Business	59,839	22.1%	46,676	19.3%	13,163	28.2%
	Asia Pacific Business	5,454	9.2%	1,758	3.3%	3,695	210.1%
	Americas Business	5,636	6.4%	(7,586)	(9.3)%	13,223	—
	EMEA Business	(56)	(0.1)%	915	0.9%	(972)	—
	Other	1	0.0%	(1,421)	(15.0)%	1,422	—
	Subtotal	105,088	13.9%	68,271	9.7%	36,817	53.9%
	Adjustments	(37,630)	—	(38,191)	—	561	—
	Total	67,458	9.1%	30,080	4.3%	37,378	124.3%

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 decreased by ¥28.9 billion from the end of the previous fiscal year to ¥1,238.4 billion, mainly due to decreases in property, plant and equipment and cash and cash equivalents, which was partially offset by increases in inventories and trade and other receivables. Liabilities decreased by ¥47.0 billion to ¥599.0 billion, primarily due to a decrease in trade and other payables. Equity increased by ¥18.1 billion to ¥639.3 billion, primarily due to an increase in retained earnings due to profit which was partially offset by a decrease in retained earnings associated with dividend payments and a decrease due to the acquisition of non-controlling interests.

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 0.16.

(Cash flow analysis)
Cash and cash equivalents at the end of the first nine months of fiscal year 2026 stood at ¥85.9 billion, representing a decrease of ¥5.9 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 nine months of fiscal year 2026 decreased by ¥0.1 billion to ¥61.5 billion. The operating cash flow during the period mainly reflected increase factors such as ¥65.3 billion in Profit before tax, ¥54.2 billion of Depreciation and amortization, etc., and decrease factors such as ¥21.9 billion of Increase (decrease) in trade payables, etc.

(Cash Flows from Investing Activities)
Net cash used in investing activities in the first nine months of fiscal year 2026 decreased by ¥17.5 billion to ¥12.4 billion. The investing cash flow during the period mainly reflected cash outflows such as ¥20.5 billion in Payments into time deposits, ¥15.1 billion in Purchases of property, plant and equipment such as investment in factory equipment and ¥7.5 billion in Purchases of intangible assets such as investment in IT systems, as well as cash inflows such as ¥29.0 billion in Proceeds from withdrawal of time deposits.

(Cash Flows from Financing Activities)
Net cash used in financing activities in the first nine months of fiscal year 2026 increased by ¥5.0 billion to ¥55.8 billion. The financing cash flow during the period mainly reflected cash outflows such as ¥21.0 billion in Decrease of short-term borrowings, ¥19.6 billion in Payment of cash dividends and ¥18.6 billion in Repayment of lease liabilities, as well as cash inflows such as ¥13.0 billion in Proceeds from issuance of bonds.

Consolidated Statement 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	61.5
	Net cash provided by (used in) investing activities	(12.4)
	Net cash provided by (used in) financing activities	(55.8)
	Effect of exchange rate changes on cash and cash equivalents	0.9
	Net change in cash and cash equivalents (decrease)	(5.9)
Cash and cash equivalents at end of period		85.9

(3) Consolidated Forecast and Other Forward-Looking Information

Net sales on a like-for-like basis for the fiscal year ending December 31, 2026 are expected to fall short of the previous forecast, primarily reflecting weak sales trends in Japan, EMEA, Americas and Asia Pacific. On the other hand, overall net sales are expected to exceed the previous forecast, driven by the positive impact of foreign exchange translation resulting from the depreciation of the yen.

Core operating profit is expected to exceed the previous forecast, driven by company-wide cost management, with foreign exchange fluctuations and one-off factors such as tariff refunds, more than offsetting the decline in gross profit from lower like-for-like net sales, resulting in an upward revision of our full-year forecast.

Operating profit, profit before tax, and profit attributable to owners of parent are expected to exceed their previous forecasts, driven by improved profitability as well as the accelerated execution of asset-light initiatives.

The reinforcement of our profit base is steadily progressing through the structural reforms promoted to date and through company-wide cost management. On the other hand, we recognize that accelerating sales growth and achieving continued improvements in profitability are key challenges for sustainable corporate value enhancement. Centered on the management foundation and governance structure established thus far, we will work toward these objectives while further embedding financial discipline and ROIC-driven management across the organization.

The forecast for annual dividend for the fiscal year ending December 31, 2026, remains unchanged. We plan to pay an annual dividend of ¥60 (the interim dividend of ¥30 (paid out) and the year-end dividend of ¥30 per share, respectively).

Revisions to the Consolidated Earnings Forecasts for the Fiscal Year 2026 (From January 1 to December 31, 2026)

(Millions of yen unless otherwise stated)

	Net Sales	Core Operating Profit	Operating Profit (Loss)	Profit (Loss) before Tax	Profit (Loss) Attributable to Owners of Parent	Basic Earnings (Loss) per Share (Yen)
Previous Forecast (A)	990,000	69,000	59,000	60,000	42,000	105.12
Revised Forecast (B)	1,025,000	87,000	87,000	87,500	62,000	155.16
Change (B − A)	35,000	18,000	28,000	27,500	20,000	—
Change (%)	3.5%	26.1%	47.5%	45.8%	47.6%	—
(Reference) Results for the Fiscal Year Ended December 31, 2025	969,992	44,520	(28,788)	(27,715)	(40,680)	(101.83)

Currency exchange assumptions are as follows;

Previous: USD/JPY: 150 yen, EUR/JPY: 170 yen, CNY/JPY: 20.5 yen

Revised : USD/JPY: 158 yen, EUR/JPY: 182 yen, CNY/JPY: 23.0 yen

Reference Information: Forecast for Consolidated Net Sales by Reportable Segment

Forecast for Consolidated Net Sales (YoY change) by reportable segment are as follows:

Classification	Revised Forecast			Previous Like-for-Like
	YoY	YoY FX-Neutral	YoY Like-for-Like	
Japan Business	―	―	flat	+mid single digit %
China & Travel Retail Business	―	―	+low single digit %	− low single digit %
Asia Pacific Business	―	―	+low single digit %	+high single digit %
Americas Business	―	―	+low single digit %	+high single digit %
EMEA Business	―	―	+low single digit %	+high single digit %
Total	6%	1%	1%	3%

Notes:

Like-for-like increase (decrease) in net sales excludes the impacts of foreign exchange translation and business transfers.

2. Condensed Quarterly Consolidated Financial Statements and Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	As of December 31, 2025	As of September 30, 2026
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	91,839	85,892
Trade and other receivables	163,329	165,194
Inventories	147,135	150,351
Other financial assets	28,265	23,677
Other current assets	40,944	42,403
Total current assets	471,514	467,519
Non-current assets		
Property, plant and equipment	283,813	269,002
Goodwill	58,793	58,903
Intangible assets	176,116	170,438
Right-of-use assets	87,985	86,170
Investments accounted for using equity method	2,972	2,966
Other financial assets	96,401	96,311
Retirement benefit asset	35,998	36,322
Deferred tax assets	45,021	42,181
Other non-current assets	8,639	8,532
Total non-current assets	795,741	770,831
Total assets	1,267,256	1,238,350

	As of December 31, 2025	As of September 30, 2026
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	141,571	104,866
Bonds and borrowings	30,000	39,000
Lease liabilities	20,205	19,287
Other financial liabilities	20,271	19,545
Income taxes payable	7,931	16,503
Provisions	7,734	2,619
Other current liabilities	117,275	117,817
Total current liabilities	344,989	319,639
Non-current liabilities		
Bonds and borrowings	181,617	164,619
Lease liabilities	91,337	87,776
Other financial liabilities	2,635	2,178
Retirement benefit liability	6,186	6,101
Provisions	4,446	4,549
Deferred tax liabilities	3,387	2,606
Other non-current liabilities	11,384	11,543
Total non-current liabilities	300,996	279,374
Total liabilities	645,985	599,013
Equity		
Share capital	64,506	64,506
Capital surplus	65,855	63,886
Treasury shares	(1,868)	(1,503)
Retained earnings	320,612	345,324
Other components of equity	151,650	153,129
Total equity attributable to owners of parent	600,756	625,343
Non-controlling interests	20,513	13,993
Total equity	621,270	639,337
Total liabilities and equity	1,267,256	1,238,350

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

Condensed Quarterly Consolidated Statement of Profit or Loss
Nine Months Ended September 30

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
	Millions of yen	Millions of yen
Net sales	693,817	741,143
Cost of sales	161,818	157,188
Gross profit	531,998	583,954
Selling, general and administrative expenses	520,586	527,004
Other operating income	3,957	6,512
Impairment of goodwill	46,818	—
Other operating expenses	1,902	6
Operating profit (loss)	(33,350)	63,456
Finance income	5,458	7,174
Finance costs	5,160	5,810
Share of profit of investment accounted for using equity method	534	466
Profit (loss) before tax	(32,518)	65,286
Income tax expense	11,543	21,238
Profit (loss)	(44,061)	44,048
Profit (loss) attributable to		
Owners of parent	(43,983)	44,385
Non-controlling interests	(78)	(336)
Profit (loss)	(44,061)	44,048
Earnings per share		
Basic earnings (loss) per share (yen)	(110.10)	111.08
Diluted earnings (loss) per share (yen)	(110.10)	111.04

Condensed Quarterly Consolidated Statement of Comprehensive Income
Nine Months Ended September 30

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
	Millions of yen	Millions of yen
Profit (loss)	(44,061)	44,048
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	153	(444)
Remeasurements of defined benefit plans	68	—
Total of items that will not be reclassified to profit or loss	221	(444)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(12,168)	1,633
Share of other comprehensive income of investments accounted for using equity method	(103)	17
Total of items that may be reclassified to profit or loss	(12,271)	1,651
Other comprehensive income, net of tax	(12,049)	1,207
Comprehensive income	(56,111)	45,255
Comprehensive income attributable to		
Owners of parent	(55,871)	45,478
Non-controlling interests	(239)	(222)
Comprehensive income	(56,111)	45,255

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine Months Ended September 30, 2025 (From January 1, 2025 to September 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 comprehen-sive 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)				(43,983)		
Other comprehensive income					(12,166)	209
Total comprehensive income	—	—	—	(43,983)	(12,166)	209
Purchase of treasury shares			(1)			
Disposal of treasury shares			425	(152)		
Dividends				(11,984)		
Change in ownership interest in subsidiaries		(16)				
Share-based payment transactions		(198)		622		
Transfer to retained earnings				277		(209)
Other				6		
Total transactions with owners	—	(214)	423	(11,230)	—	(209)
Balance as of September 30, 2025	64,506	73,924	(1,902)	301,663	127,110	—

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity		Total		
	Remeasure-ments of defined benefit plans	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)		—	(43,983)	(78)	(44,061)
Other comprehensive income	68	(11,888)	(11,888)	(161)	(12,049)
Total comprehensive income	68	(11,888)	(55,871)	(239)	(56,111)
Purchase of treasury shares		—	(1)		(1)
Disposal of treasury shares		—	272		272
Dividends		—	(11,984)	(1,781)	(13,766)
Change in ownership interest in subsidiaries		—	(16)	16	—
Share-based payment transactions		—	423		423
Transfer to retained earnings	(68)	(277)	—		—
Other		—	6	(58)	(52)
Total transactions with owners	(68)	(277)	(11,299)	(1,824)	(13,123)
Balance as of September 30, 2025	—	127,110	565,302	20,104	585,407

Nine Months Ended September 30, 2026 (From January 1, 2026 to September 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 comprehen-sive 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)				44,385		
Other comprehensive income					1,478	(385)
Total comprehensive income	—	—	—	44,385	1,478	(385)
Purchase of treasury shares			(2)			
Disposal of treasury shares			367	(27)		
Dividends				(19,979)		
Change in ownership interest in subsidiaries		(1,446)				
Share-based payment transactions		(522)		742		
Transfer to retained earnings				(385)		385
Other				(22)		
Total transactions with owners	—	(1,969)	364	(19,673)	—	385
Balance as of September 30, 2026	64,506	63,886	(1,503)	345,324	153,129	—

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity		Total		
	Remeasure-ments of defined benefit plans	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)		—	44,385	(336)	44,048
Other comprehensive income	—	1,093	1,093	113	1,207
Total comprehensive income	—	1,093	45,478	(222)	45,255
Purchase of treasury shares		—	(2)		(2)
Disposal of treasury shares		—	339		339
Dividends		—	(19,979)	(1,955)	(21,934)
Change in ownership interest in subsidiaries		—	(1,446)	(3,289)	(4,735)
Share-based payment transactions		—	219		219
Transfer to retained earnings		385	—		—
Other		—	(22)	(1,052)	(1,075)
Total transactions with owners	—	385	(20,891)	(6,297)	(27,189)
Balance as of September 30, 2026	—	153,129	625,343	13,993	639,337

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
	Millions of yen	Millions of yen
Cash flows from operating activities:		
Profit (loss) before tax	(32,518)	65,286
Depreciation and amortization	53,306	54,186
Impairment losses (reversal of impairment losses)	51,169	175
Loss (gain) on disposal of non-current assets	1,253	718
Increase (decrease) in retirement benefit asset or liability	680	(233)
Interest and dividend income	(5,446)	(7,067)
Interest expenses	3,472	4,023
Share of profit of investments accounted for using equity method	(534)	(466)
Decrease (increase) in trade receivables	7,340	(1,455)
Decrease (increase) in inventories	8,981	(3,201)
Increase (decrease) in trade payables	(27,204)	(21,933)
Other	4,994	(18,544)
Subtotal	65,496	71,488
Interest and dividends received	1,823	2,192
Interest paid	(2,689)	(3,110)
Income taxes paid	(3,092)	(9,107)
Net cash provided by (used in) operating activities	61,537	61,463
Cash flows from investing activities:		
Payments into time deposits	(16,218)	(20,486)
Proceeds from withdrawal of time deposits	17,840	29,001
Purchase of property, plant and equipment	(17,042)	(15,132)
Proceeds from sales of property, plant and equipment and intangible assets	274	390
Purchase of intangible assets	(15,459)	(7,501)
Other	655	1,281
Net cash provided by (used in) investing activities	(29,949)	(12,447)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings and commercial papers	(28,878)	(21,000)
Proceeds from long-term borrowings	30,000	—
Redemption of bonds	(20,000)	—
Proceeds from issuance of bonds	—	13,000
Purchase of treasury shares	(1)	(2)
Proceeds from disposal of treasury shares	0	0
Dividends paid	(11,779)	(19,636)
Dividends paid to non-controlling interests	(2,185)	(4,199)
Repayments of lease liabilities	(17,591)	(18,644)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(4,850)
Other	(414)	(512)
Net cash provided by (used in) financing activities	(50,851)	(55,847)
Net decrease in cash and cash equivalents	(19,264)	(6,832)
Cash and cash equivalents at beginning of period	98,479	91,839
Effect of exchange rate changes on cash and cash equivalents	(1,054)	886
Cash and cash equivalents at end of period	78,160	85,892

(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

(Applicable Financial Reporting Framework)

The Group's condensed quarterly consolidated financial statements and notes are prepared in accordance with Article 5, Paragraph 2 of Tokyo Stock Exchange, Inc.'s standards for the preparation of quarterly financial statements, etc. (however, the omissions set out in Article 5, Paragraph 5 of the same standards apply). Some of the disclosure items and notes required by IAS 34 "Interim Financial Reporting" are omitted.

(Note on Assumptions of a Going Concern)

Not applicable.

(Change in Presentation)

(Condensed Quarterly Consolidated Statement of Cash Flows)

"Increase (decrease) in liabilities for structural reform" under "Cash flows from operating activities," which had been presented as a separate line item in the nine months ended September 30, 2025, has been included in "Other" from the nine months ended September 30, 2026 as the amount is no longer material.

In order to reflect this change in presentation, the condensed quarterly consolidated statement of cash flows for the nine months ended September 30, 2025, has been reclassified.

As a result, ¥2,296 million, which had been presented as "Increase (decrease) in liabilities for structural reform" under "Cash flows from operating activities" in the condensed quarterly consolidated statement of cash flows for the nine months ended September 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.

Nine Months Ended September 30, 2025 (From January 1, 2025 to September 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	219,105	240,036	52,504	78,187	96,121
Intersegment sales or transfer	979	2,268	910	3,366	4,016
Total	220,085	242,304	53,415	81,553	100,137
Segment profit (loss) i.e. Core operating profit	27,928	46,676	1,758	(7,586)	915

	Other (Note 2)	Total	Adjustments (Note 3)	Consolidation
Net sales				
Sales to external customers	7,861	693,817	—	693,817
Intersegment sales or transfer	1,592	13,133	(13,133)	—
Total	9,454	706,950	(13,133)	693,817
Segment profit (loss) i.e. Core operating profit	(1,421)	68,271	(38,191)	30,080

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 reportable segment (¥(48,343) million), the difference between the allocation amount to each reportable segment and the actual amount (¥5,422 million) and cost difference (¥5,124 million), etc. The expenses are incurred mainly by head office, R&D, etc.

Nine Months Ended September 30, 2026 (From January 1, 2026 to September 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	217,365	268,483	58,167	84,470	106,099
Intersegment sales or transfer	444	2,812	909	3,017	4,777
Total	217,809	271,296	59,077	87,488	110,877
Segment profit (loss) i.e. Core operating profit	34,213	59,839	5,454	5,636	(56)

	Other (Note 2)	Total	Adjustments (Note 3)	Consolidation
Net sales				
Sales to external customers	6,556	741,143	—	741,143
Intersegment sales or transfer	741	12,703	(12,703)	—
Total	7,298	753,847	(12,703)	741,143
Segment profit (loss) i.e. Core operating profit	1	105,088	(37,630)	67,458

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 reportable segment (¥(43,274) million), the difference between the allocation amount to each reportable segment and the actual amount (¥7,604 million) and cost difference (¥(1,894) million), etc. The expenses are incurred mainly by head office, R&D, etc.

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

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
	Millions of yen	Millions of yen
Segment profit	30,080	67,458
Structural reform expenses	(10,755)	(2,839)
Impairment losses	(51,409)	(37)
Reversal of impairment losses	239	7
Gain on sale of non-current assets	—	55
Acquisition-related costs	(8)	—
One-time costs related to internal system changes	(18)	—
Other	(1,478)	(1,188)
Operating profit (loss)	(33,350)	63,456

"Structural reform expenses" for the nine months ended September 30, 2025 are mainly the costs associated with the "Action Plan 2025-2026" such as the costs for workforce reductions in Americas Business and a provision for an onerous contract. The expenses are included in "Cost of sales", "Selling, general and administrative expenses" and "Other operating expenses" in the condensed quarterly consolidated statement of profit or loss.

"Structural reform expenses" for the nine months ended September 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 condensed quarterly consolidated statement of profit or loss.

"Impairment losses" for the nine months ended September 30, 2025 are mainly the impairment losses of goodwill and the impairment losses due to decline in profitability of offices subleased by Shiseido Americas Corp, etc. The expenses are included in "Cost of sales", "Selling, general and administrative expenses" and "Impairment of goodwill" in the condensed quarterly consolidated statement of profit or loss.

Independent Auditor's Report on Review of Condensed Quarterly Consolidated Financial Statements

November 10, 2026

To the Board of Directors of Shiseido Company, Limited:

KPMG AZSA LLC
Tokyo Office, Japan

Ryohei Tomita
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kentaro Hayashi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yuki Kodaka
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Conclusion

We have reviewed the accompanying condensed quarterly consolidated financial statements of Shiseido Company, Limited ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") provided in the "Attached Documents" in the Consolidated Settlement of Accounts for the Nine Months Ended September 30, 2026, which comprise the condensed quarterly consolidated statement of financial position as at September 30, 2026, the condensed quarterly consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended, and notes concerning the condensed quarterly consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. ("the Standard") (applying the omissions prescribed in Article 5(5) of the Standard).

Basis for Conclusion

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Review of*

the Condensed Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements in Japan (including those that are relevant to audits of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management and the Audit Committee for the Condensed Quarterly Consolidated Financial Statements

Management is responsible for the preparation and presentation of the condensed quarterly consolidated financial statements in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard), and for such internal control as management determines is necessary to enable the preparation of the condensed quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard) and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the corporate executive officers' and the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion on these condensed quarterly consolidated financial statements based on our review in our report on the review of condensed quarterly consolidated financial statements.
As part of our review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, that nothing has come to our attention that causes us to believe that the condensed quarterly consolidated financial statements are not prepared in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard), if a material uncertainty relating to events or conditions comes to our attention that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report on the review of condensed quarterly consolidated financial statements to the related disclosures in the condensed quarterly consolidated financial statements or, if such disclosures are

inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the review of condensed quarterly consolidated financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate that nothing has come to our attention that causes us to believe that the presentation and disclosures in the condensed quarterly consolidated financial statements are not prepared in accordance with Article 5(2) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 5(5) of the Standard).
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group as a basis for forming a conclusion on the condensed quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the interim review on the condensed quarterly consolidated financial statements. We remain solely responsible for our review conclusion.

We communicate with the Audit Committee regarding the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Review Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report on Review of Condensed Quarterly Consolidated Financial Statements as required by the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.