

## L'ORÉAL EMPLOYEE SHARE OFFERING 2026 LOCAL SUPPLEMENT FOR JAPAN

*You have been invited to invest in shares of L'Oréal ("Shares") in the L'Oréal group employee share plan 2026. You will find below a brief summary of the local offering information and principal tax consequences relating to the offering.*

### **Local Offering Information**

#### ***A share capital increase reserved for employees***

If the number of requested shares exceeds the offered shares, the number of shares requested may be reduced. In this event, each participant will be notified personally. In addition, if the total subscription amount for this year's offering in Japan, together with the subscription amount for any offerings within the last 12 months in Japan, is ¥100,000,000 or more<sup>1</sup>, the number of shares requested may be reduced.

#### ***Subscription Period***

The subscription period starts on June 10, 2026 and lasts until June 24, 2026 (inclusive).

During the subscription period, you may subscribe online at <https://invest.loreal.com>. Username and password will be provided to you by email or mail. You may also subscribe with a paper subscription form should you not have access to internet. Please contact your Human Resources department to receive a subscription form.

Unless you subscribe through Internet, please return your duly completed subscription form together with the requisite enclosures before June 24, 2026 at your company's Human Resources Department.

Address: 3-7-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1071, Japan

NIHON L'ORÉAL K.K. Human Resources Division ESOP section

#### ***Subscription Price***

The subscription price will be set on June 5, 2026 as the average opening price of the Shares over the 20 preceding trading days minus a 20% discount.

It is to be noted that your subscription is in euro. Consequently, for purposes of your subscription, the amount of your payment in yen will be converted by your employer using the exchange rate, applicable by or around the beginning of June 2026, that will be communicated to you. During the life of your investment, the value of the Shares will be affected by fluctuations in the currency exchange rate between the euro and yen. As a result, if the value of the euro strengthens relative to the yen, the value

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<sup>1</sup> Please note that when calculating the aggregate subscription amount, (i) the aggregate amount of the issue price of the shares to be issued under the employee share plan and (ii) the fair value (i.e., aggregate market value) of the shares to be matched as free shares must be aggregated. In 2021, the Financial Services Agency of Japan announced its view that the issue amount of free shares and nil-cost stock options granted to employees is their fair value. Based on this view, the subscription amount of the shares to be matched as free shares should be the market value of such shares.

of the Shares expressed in local currency will increase. On the other hand, if the value of the euro weakens relative to the yen, the value of the Shares expressed in yen will decrease.

***Method of Payment – What are the payment methods available for my subscription?***

Salary Deduction over 10 month starting in August 2026

***Custody of your shares, voting rights, dividends***

Your shares will be held in your name in a securities account in a financial institution (Uptevia). Information regarding custodianship of your shares will be provided to you following the subscription period.

You will be entitled to directly exercise the voting rights attached to your L'Oréal shares. Any dividends paid by L'Oréal will be directly paid to you.

You will receive annual account statements in relation to your shares from the financial institution holding your shares.

***Currency Exchange Control***

If your initial investment is more than 100 million yen, you must submit a report to the Minister of Finance, through the Bank of Japan, within 20 days after the subscription.

If the subscription amount paid by you from Japan to abroad is more than 30 million yen, you must submit a report to the Minister of Finance, through the Bank of Japan, by the 20th day of the month following the payment date.

***Securities Notices***

This offering is exempted from the requirement under Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan and therefore no securities registration statement has been or will be filed thereunder with respect to such offering. Instead, L'Oréal filed the Securities Notice with the Kanto Local Finance Bureau.

***Important Notice regarding the Investment Advice***

L'Oréal and its subsidiaries do not give investment advice with respect to this offering. Investing is a personal decision that you must make yourself, taking into account your financial resources, your investment goals and other investment alternatives available to you. Participation in this offering is entirely voluntary.

***Lock-up period and Early Exit Events - In which cases may I ask for an early redemption ?***

**Under the L'Oréal employee share plan 2026**, your investment must be held for a period of five-year, ending on July 30, 2031 (inclusive).

Nevertheless, you may be able to request early release and exit from the plan before the end of the lock-up period in the case of early exit events as described below:

1. marriage;

2. birth or adoption of a third child (or higher);
3. divorce (if custody of at least one child is retained);
4. domestic violence committed against the employee by his/her spouse, partner, civil partner, or his/her former spouse, partner or civil partner;
5. disability of the employee or spouse or child;
6. death of the employee or his/her spouse;
7. use of proceeds for creation by the employee, child or spouse of certain businesses;
8. use of the proceeds for the acquisition or enlargement of the principal residence;
9. over-indebtedness; and
10. termination of employment.

These early exit events are defined by French law and must be interpreted and applied in a manner consistent with French law. You should not conclude that an early exit event is available unless you have described your specific case to your employer and your employer has confirmed that it applies to your situation, upon your providing the requisite supporting documentation.

We expect that the French regulation will soon add new early exit events. If the regulation is published by the beginning of the subscription period, these early exit events will be automatically applicable in your country, unless they are not applicable in local law.

### **FREE SHARES**

Your investment will be matched by grant of rights to additional shares of L'Oréal S.A. for free ("Free Shares"). You would be entitled to Free Shares proportionally to your subscription for the ratio described in the Information Brochure. These shares will be delivered to you at the end of the vesting period, in July 2031, subject to the terms and conditions provided for in the Free Share Plan Rules.

You will find below a summary of certain conditions applicable to the grant, vesting and delivery of the Free Shares. For the full description, please refer to the Free Share Plan Rules made available to you at <https://invest.loreal.com> (in French and English) and upon request from your RH correspondent. Subscription to the L'Oréal employee share plan 2026 implies acceptance of the Free Share Plan Rules.

**Eligibility to the grant of Free Shares:** in order to qualify for a grant of Free Shares within the framework of the L'Oréal employee share plan 2026, you must satisfy the following conditions:

- you must have validly subscribed in the context of the L'Oréal employee share plan 2026 and must satisfy all the conditions for participating therein;
- your participation in or your subscription or payment for the L'Oréal employee share plan 2026 must not have been rejected or cancelled on (or prior to) the Grant Date (defined below);
- the payment of the subscription must have been fully settled at the Delivery Date (defined below).

**Grant Date:** The date of the grant shall occur on the date on which the shares subscribed for pursuant to the L'Oréal employee share plan 2026 are issued , i.e on July 30, 2026, or shortly thereafter. Within weeks of the Grant Date, each beneficiary shall receive a letter or statement electronically confirming that he or she is a beneficiary of the grant of Free Shares and stipulating the number of Free Shares granted to him or her, subject to the conditions of the Free Share Plan Rules (as summarized hereafter).

**Delivery Date:** Subject to the satisfaction of the conditions stipulated below, the Free Shares will be delivered to you on or around July 31, 2031.

**Conditions to be satisfied to receive the Free Shares at the end of the lock-up period** (you may refer to article 6 of the Free Share Plan Rules for a detailed and full description of that conditions ; stipulations below are only a summary of the applicable conditions and do not supersede provisions of the Free Share Plan Rules ) :

In order to receive the Free Shares, you must remain an employee or corporate officer of the L'Oréal Group from the last day of the subscription period pursuant to the L'Oréal employee share plan 2026 until the 20<sup>th</sup> calendar day preceding the Delivery Date (the “**Continued Employment Condition**”).

The period between the last day of the subscription period pursuant to the L'Oréal employee share plan 2026 and the 20<sup>th</sup> day calendar day preceding the Delivery Date shall be referred to hereinafter as the “**Acquisition Period**”.

Nevertheless, you will be deemed to have satisfied the above Continued Employment Condition if, at any time during the Acquisition Period, you lose the status of employee or corporate officer of the L'Oréal Group for one of the following reasons (the “**Exceptions to the Continued Employment condition**”):

**Death:** In the event of death, your heir(s) may request, the delivery of the Free Shares within six months of the death. In such a case, any Free Share granted shall be delivered to the assigns shortly after the submission of their request and the Acquisition Period shall not apply. In the absence of such a request, the Free Shares granted to the deceased beneficiary shall be delivered to the heirs on the Delivery Date.

**Disability:** In the event of disability, as defined in Article L. 225-197-1 of the French Commercial Code, during the Acquisition Period, the Free Shares granted shall be delivered shortly after the occurrence of the relevant disability event.

**Retirement:** In the event of retirement at the minimum retirement age stipulated by the law of the relevant country or in the event of retirement pursuant to any retirement scheme, the Free Shares shall be delivered to the beneficiary on the Delivery Date.

**Dismissal for a reason other than gross misconduct or serious misconduct:** In the event of a dismissal for a reason other than gross misconduct or serious misconduct, the Free Shares granted shall be delivered to the Beneficiary on the Delivery Date. For the purposes of the plan, dismissal for gross misconduct or serious misconduct entailing the forfeiture of the right to receive the Free Shares shall be assessed having regard to the regulations of the relevant country applicable to the dismissal of the beneficiary.

**Termination of the employment contract pursuant to the mutual agreement of the employee and the employer:** In the event of the termination of the employment contract of the beneficiary

pursuant to a mutual agreement, the Free Shares shall be delivered to the beneficiary on the Delivery Date.

**Change of control of your company/employer:** In the event of a change of control over your company/employer, those beneficiaries who are employees or corporate officers of the relevant company shall receive their Free Shares on the Delivery Date.

**Ownership of the Free Shares:** At the Date of Delivery, any Free Shares delivered will become your full property. Your Free Shares will be delivered and held through the securities account where the shares you subscribed for are registered. In the event that a L'Oréal company is required to pay taxes, social charges or any other governmental charges on behalf of any beneficiary of the Free Shares as a result of the grant or delivery of the Free Shares, L'Oréal reserves the right to delay the transfer of the Free Shares to such person until such person has paid all such amounts, or made arrangements for payment that are satisfactory to L'Oréal, or to cause the sale of the shares and withhold from the proceeds the relevant amounts, as provided for in the article 10 of the Free Share Plan Rules.

## **Tax Information for Employees Resident in Japan**

*This summary sets forth general principles in effect on February 1, 2026, that are expected to apply to employees (“**Participants**”) who are and who shall remain, until the disposal of their investment, resident in Japan for the purposes of the tax laws of Japan and of the tax treaty concluded between France and Japan for the avoidance of double taxation dated 3 March 1995, as amended on January 11<sup>th</sup> 2007 (the “**Treaty**”) and are entitled to the benefits of the Treaty and do not carry out their professional activity in France but may not apply in all specific cases. The tax consequences listed below are described in accordance with Japan tax law and certain French tax laws and practices, all of which are applicable on February 1, 2026. These principles and laws may change over time.*

*This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive. For definitive advice, employees should consult their own tax advisors.*

### **Upon subscription**

#### **I. Will I be required to pay any tax or social security charges at the moment of subscription?**

##### **I.1 Taxation on the difference between the subscription price and the market value of the L’Oréal share at the time of subscription**

Under the Personal Income Tax Law of Japan, the price discount will be taxable at the time of subscription. It is current practice that the amount of the price discount will, in general, be taxed as salary income.

The amount of the price discount will be considered to be the excess of (i) the market price of the Shares as of the issue date converted into yen at the median of the telegraphic transfer selling and buying exchange rates vis-à-vis customers for euro against yen as of such date, over (ii) the price in yen that you have paid to acquire such shares. It should be noted that this price discount, which is calculated for Japanese taxation purposes, may be a greater or lesser amount than the actual discount in this offering. The amount of the taxable price discount will be aggregated to your salary income (usual salary deductions are available) and combined with other types of income earned during the calendar year. Such combined amount will be taxed at normal progressive income tax rates.

The amount of the taxable price discount will not be subject to Japanese withholding tax, but rather, will be reported on your annual tax return. You will be responsible for filing your annual tax return no later than March 15 of the year following the subscription of the Shares. Even if your total salary income, including the price discount, is 20 million yen or less, your employer is not allowed to complete the taxation by the year-end tax adjustment, and therefore you must report the price discount in your annual tax return. For your information, your employer is required to submit a report to the competent tax office with respect to the economic benefit you will receive from L’Oréal.

##### **I.2 Will the interest-free advance payment be taxable?**

If the interest rate of the loans extended by the employer to its employees is lower than (i) the rate announced by the Minister of Finance that was calculated based on the average rate of short-term loans plus 1% or (ii) the rate at which the employer borrows money in the case that your employer does so in order to lend such money to you, the benefit from such low interest rate (i.e., the difference between such interest rate and the lower of the rates mentioned in (i) and (ii) above) will, in general, be taxed as salary income. This income is combined with other types of income, and the combined amount is taxed at normal progressive income tax rates.

However, the above income is not taxable under certain circumstances including cases where (i) the rate is reasonable (for instance, in the case that the rate is an average of the rates at which the employer borrowed money in a previous year) and (ii) the income is ¥5,000 or less per year.

**During the life of the Plan**

**II. Will I be required to pay any tax or social security charges on dividends?**

Any dividends distributed by L'Oréal will be directly paid to you.

(i) Taxation in France

Under French domestic law, dividends paid by a French company to non-residents of France are generally subject to a 12,8% withholding tax in France, unless they are paid to a bank account opened in a Non-Cooperative State or Territory as defined under article 238-0 A 1, 2 and 2 bis-1° of the French Tax Code (NCST)<sup>2</sup> which would trigger a 75% withholding tax in France.

(ii) Taxation in Japan

Dividends from the L'Oréal shares will be taxed as dividend income under the Personal Income Tax Law of Japan. Basically, you will have to report these dividends in your annual income tax return, and your world-wide income (including these dividends) will be subject to income tax at the normal progressive tax rates under the Personal Income Tax Law<sup>3</sup>. You will have to file your annual tax return and pay the corresponding tax by March 15 of the year following the receipt of the dividends.

Please note, however, that if (i) your salary income is not greater than ¥20 million and (ii) your total income other than your salary income is not greater than ¥200,000, you will generally not be required to file an annual income tax return.<sup>4</sup> In such case, the dividends from the L'Oréal shares will not be subject to income tax in Japan.

Regardless of whether you pay income tax in Japan on the dividends, your income (including dividends from the L'Oréal shares) will be subject to local inhabitant tax of 10% (fixed rate) under the Local Tax Law of Japan.

Dividends will not be subject to social security charges.

**At the end of the lock-up period / upon sale of my shares**

**III. Will I be required to pay any tax or social security charges when, at the end of the lock-up period (or in the event of an authorized early exit event), I ask to sell my shares?**

(i) Taxation in France

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<sup>2</sup> The list of NCSTs can be modified each year. The states and territories qualifying as NCSTs are currently the following: Anguilla, Antigua and Barbuda, Turks and Caicos Islands and Vanuatu.

<sup>3</sup> Where the Shares are listed at the time of the distribution of dividends, and subject to certain other requirements, dividends from the Shares paid to you may be taxable separately from other incomes if you select to do so in a tax return, at the rate of 20.315% in principle (including local taxes and additional tax for the recovery from the earthquake).

<sup>4</sup> However as stated in "*Upon subscription*" above, in the case of the subscription of the Shares, although the price discount is treated as salary income, you must file a tax return even if your total salary income, including such price discount, is ¥20 million or less.

You will not be subject to income taxes in France on the gain, if any, realized on the redemption of your units.

(ii) Taxation in Japan

Selling the L'Oréal shares, any capital gains incurred by you from the sale of the L'Oréal shares will be taxed separately from non-capital gains income, and the amount of capital gains tax payable (including local tax) will, in general, be equal to 20.315% of the net balance of the proceeds from the sale of such L'Oréal shares after the deduction of their constructive acquisition costs.

If you do not hold any L'Oréal shares other than those subscribed to under this offering, for tax purposes, the constructive acquisition costs of each L'Oréal share held by you will, in principle, be calculated by dividing the aggregate of the market price of the L'Oréal shares as at the issue date of all the L'Oréal shares by the total number of the L'Oréal shares.

Capital losses incurred by you upon the sale of the L'Oréal shares can, in general, only be deducted only against other capital gains from sales of equity securities in that year. However, if the L'Oréal shares are listed on a stock exchange at the time of their sale, and subject to certain other requirements being met, the capital losses incurred upon the sale of the L'Oréal shares will be carried forward for deduction against capital gains from sales of other listed equity securities and certain kinds of bonds for the following three years.<sup>5</sup>

It should be noted that the amount of the sale proceeds on which the calculation of the capital gains is based will be converted into a yen amount at the exchange rate as of such sale for Japanese taxation purposes. Therefore, any fluctuation in the foreign exchange rate will be reflected in the capital gains.

Capital gains will not be subject to social security charges.

***Tax or social security charges that may be applicable, if I do not choose immediately to sell my shares upon the expiration of the lock-up period.***

Unless you sell your L'Oréal shares, no tax is payable at the end of the five-year lock-up period.

## **FREE SHARES**

***IV. Will I be required to pay any tax or social security charges at the Grant Date of the Free Shares ?***

You will not be required to pay any tax or social security charges at the Grant Date of the Free Shares.

***V. Will I be required to pay any tax or social security charges at Tax at the Delivery Date of the Free Shares ?***

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<sup>5</sup> If any dividend income from other listed equity securities or interest income from certain kinds of bonds arises in the same year the capital losses are incurred, then subject to certain other requirements (including that you file a tax return containing certain items of information together with certain attachments), such capital losses can be offset against any such dividend income or interest income.

Under the Personal Income Tax Law of Japan, the Free Shares will be taxed as salary income at the Delivery Date. The taxable amount of the Free Shares will be considered to be the market price of the Free Shares as of the Delivery date converted into yen at the median of the telegraphic transfer selling and buying exchange rates vis-à-vis customers for euro against yen as of such date. Regarding treatment of the salary income under the Personal Income Tax Law of Japan, please see I.1.

***VI. Will I be required to pay any tax or social security charges at the date of sale of the Free Shares ?***

Upon sale of the Free Shares, the same as selling the L'Oréal shares, any capital gains incurred by you from such sale will be taxed separately from non-capital gains income, and the amount of capital gains tax payable (including local tax) will, in general, be equal to 20.315% of the net balance of the proceeds from the sale of such Free Shares after the deduction of their constructive acquisition costs (further, in the calculation of the taxable amount of the capital gains, the acquisition value of the Free Shares is the market price of the Free Shares as of the Delivery date). Please see III. (ii).