

Outline of Online Events for Shareholders

We held an online event for shareholders with the purpose of communicating with shareholders.

Introduction of Kao Group Companies Outside Japan

Kao Taiwan Initiatives



Liu,Chien_hsien Shoichi Hasegawa Chang,Chuang yung

Akiko Hasegawa

Outline of the meeting

Date and time: Thursday, June 13, 2024, 11:00 to 11:42 (JST)

Attendees: Shoichi Hasegawa, Chairperson and President, Kao (Taiwan) Corporation

Liu, Chien_hsien, Executive Officer, Vice President, Factory, Kao (Taiwan) Corporation

Chang, Chuang yung, Executive Officer, Vice President, Consumer Product R&D, Kao (Taiwan) Corporation

Akiko Hasegawa, Executive Officer, Legal Division, Kao Corporation

Description:

1. About Kao Taiwan
2. Kao Taiwan ESG initiatives
3. Kao Taiwan 60th anniversary event
4. Kao Taiwan's *Monozukuri* (“*monozukuri*” means making or craftsmanship)

Q&A Session Summary

1. **Sixty years have passed since startup and localization has been progressing. Are there employees from Japan other than the president?**

In the past, more than 10 people were dispatched from Japan, but currently only three people. Among the Kao Group, Kao Taiwan has been localizing its employees.

2. **Does the same product have a different aroma in different countries?**

The preference for aroma varies depending on the lifestyle, culture, and climate of each area. The products imported from Japan to Taiwan have the same scent in Japan and Taiwan, but the products developed in Taiwan have aroma developed to suit the tastes of Taiwanese consumers.

3. Are products manufactured in Taiwan exported to Japan and other countries? Also, what is the proportion?

Products manufactured at Kao Taiwan's Hsinchu Plant are supplied in Taiwan, but they are also exported to Japan, Australia, Hong Kong, Singapore, Malaysia, and Thailand. The share of exports of household products stands at 46%.

4. Will shampoos with fewer additives be available in Japan?

Regarding not only *Feather* shampoo but also other products produced in Taiwan, we are considering producing them in Taiwan and exporting them to Japan if they are acceptable in Japan. Regarding products produced in Taiwan, not only *Feather* shampoo, but also other products that are acceptable in Japan, we are considering producing them in Taiwan and exporting them to Japan.

5. Are there interactions such as selling new products developed in Taiwan in Japan?

Kao Japan and Kao Taiwan are considered to have synergy effects. New Japanese products that are acceptable in Taiwan are also launched in Taiwan. Among the products produced in Taiwan, for example, *FIESTA* skin and hair care products of Kao Professional Services Co., Ltd. and *Quickle Joan* of alcohol sprays are produced in Taiwan and exported to Japan. We believe that such mutual exchanges will become more and more popular in the future.

6. What is the ratio of female employees? What is the ratio of female managers?

Depending on the department, there are many males in plant production and logistics. In the research sector, there are about three males, and 80% of the others are female. There are seven managers among the president and the deputy president, three out of seven are females, and the ratio is almost half.

7. What are your competitors in Taiwan? What is its share in Taiwan?

In the Taiwanese market, European and American companies, Japanese companies, and local companies are the main constituents. In terms of daily necessities manufacturers, there are P&G and Unilever among Western firms, Kao and Shiseido among Japanese firms, and several other local firms. Although the market share differs by category, about 20% is occupied by Kao Taiwan.

8. What are Kao Taiwan's best-selling products?

Bioré skin care products, *Attack* laundry detergent, and *Magiclean* household cleaning products are accepted by Taiwanese consumers. In addition, for the products imported from Japan, the *MegRhythm* thermo products and *Curél* derma care products are also accepted brands. What can be said in common is that the brand that is easy to obtain concept and perceptions of effectiveness are accepted.

9. Is there any difference in the concept and policy of ESG in Kao Taiwan from other countries?

As the Kao Group, the concept of environmental, social, and human rights is the same based on Kirei Lifestyle Plan. However, since the regulatory differ from country to country, such measures are taken according to each country. As for Taiwan, the government is actively promoting ESG, and it is required that the use of recycled PET be more than 25% of production products by 2025. Therefore, all employees are engaged in ESG activities with the intention of taking half a step ahead of the government's guidelines.

10. In Japan, the aroma of fabric softeners has become a topic but can such a topic be raised in Taiwan?

In Taiwan, the scent of fabric softener appears to be less popular than in Japan. Everyone has a different preference for scents, and some people prefer to use unscented products. In R&D, we listen to the voices of consumers to determine how much and what kind of scent should be added, although it varies depending on the product.

11. How many people attended Kao Taiwan's 60th anniversary event?

The event was held for about a week, and a total of about 14,000 people came to the event. As a result of the increased interest in ESG and the interest in Kao Taiwan's activities, the number of visitors was 1.3 times the expected number. These activities are not limited to once, and we would like to introduce the ESG activities conducted by the Kao Group and the ideal form.

12. What is the employment situation at Kao Taiwan? Are they hired every year? How popular is it?

Job status is different from that in Japan. In Taiwan, it is not a method to adopt hundreds of new graduates. Kao Taiwan recruits in the most appropriate way in departments where personnel are in short supply in terms of personnel planning, and recruits every year. As for popularity, there are many people who want to work for Kao Taiwan, and we are proud and encouraged by that. That is why we are working hard to ensure that new employees continue to think that Kao Taiwan is a good company.