

April 15, 2026

NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

To Our Shareholders:

Kao Corporation (the “Company”) is pleased to announce that the Extraordinary General Meeting of Shareholders of the Company (“EGM”) will be held on April 30, 2026 at 10:00 a.m., Japan time, at Kao Sumida Office, (2-1-3 Bunka, Sumida-ku, Tokyo, Japan).

At the EGM, Shareholders will be asked to vote on the following agenda item: *(Please note that a shareholder is entitled to one vote per unit of shares, with each unit consisting of one hundred (100) shares.)*

Shareholder Proposal

To appoint independent investigators to examine the Company’s business and financial condition as provided for in Article 316, Paragraph 2 of the Companies Act, including potential failures of risk management, internal controls and board oversight relating to material issues in the Company’s palm oil and paper / pulp supply chains

As we place great importance to your exercise of voting rights at the EGM, we have attached, for your convenience, English summaries of the Proxy Statement, the original of which is in the Japanese language and is being distributed to all registered shareholders or their standing proxies in Japan. We strongly urge you to exercise your voting rights at the EGM.

As part of our ongoing effort to improve the quality of communications with our foreign investors and to increase the voting participation of foreign investors at the EGM, the Company has retained Georgeson as our Global Information Agent to assist us with the EGM. If you have any questions, please contact Cherryl Tirol at +001-201-222-4375 or cherryl.tirol@georgeson.com, or Michael Menahem at +001-201-222-4374 or michael.menahem@georgeson.com. The attached material is also available on our website at www.kao.com/global/en/investor-relations/stock-information/shareholders/

Thank you very much for your attention.

Very truly yours,



Yoshihiro Hasebe
Representative Director
President and Chief Executive Officer

ISIN	JP3205800000
SEDOL	6483809

Kao Corporation

English Summary of the PROXY STATEMENT

The Proxy Statement of Kao Corporation (the “Company”) in the Japanese language has been prepared for the purpose of the Extraordinary General Meeting of Shareholders of the Company (the “EGM”) to be held on April 30, 2026 at 10:00 a.m. Japan time, at Kao Sumida Office, (2-1-3 Bunka, Sumida-ku, Tokyo, Japan), and is to be furnished to all shareholders of the Company holding at least one Unit Share* (“Shareholders”) of record as of March 26, 2026 (the “Record Date”).

All Shareholders have valid voting rights and are entitled to vote at the EGM. In order to properly transact business at the EGM, the resolution of the EGM shall be adopted by an affirmative vote of a majority of the votes of the Shareholders present with exercisable voting rights.

*Note: A shareholder is entitled to one voting right per Unit Share, with each Unit Share consisting of one hundred (100) shares.

SHAREHOLDER PROPOSAL (PROPOSAL)

The Proposal is a shareholder proposal (hereinafter referred to as “the Shareholder Proposal”) submitted by Oasis Japan Strategic Fund Ltd., and Oasis Opportunities Fund One SPC – Echo SP (hereinafter collectively referred to as “the Requesting Shareholders”).

The titles of the proposal, the contents of the proposal, the reasons for the proposal are stated in their original form as submitted, excluding any formal modifications and notes added by the Company*.

The Company’s Board of Directors opposes the Agenda Items in the Shareholder Proposal. Please refer to pages 5 through 9 for the Board of Directors’ opinion opposing the proposal.

*The reasons for the convening stated by the Requesting Shareholders are included in the attachment (Request for Convening an Extraordinary General Meeting of Shareholders) to the Company’s press release dated March 5, 2026, entitled “Request by Shareholders to Convene an Extraordinary General Meeting of Shareholders”.

PROPOSAL: To appoint independent investigators to examine the Company’s business and financial condition as provided for in Article 316, Paragraph 2 of the Companies Act, including potential failures of risk management, internal controls and board oversight relating to material issues in the Company’s palm oil and paper / pulp supply chains

I) Summary of Proposal

1. Investigators to examine the Company’s business and financial condition

To investigate the matters described in the Purpose of Investigation section below, Mr. Maekawa, Mr. Kusuda and Mr. Carr-Howard※ shall be appointed as the investigators to examine the Company’s business and financial condition as stipulated in Article 316, Paragraph 2 of the Companies Act (the “Investigators”). The appointment of the Investigators shall take effect upon the approval and passage of this proposal, and no separate agreement with the Company is required.

Name (Date of Birth)	Brief Biography, Position and Responsibilities, and Significant Concurrent Positions	
Akira Maekawa October 9, 1972	April 1999	Registered as Attorney (Dai-Ichi Tokyo Bar Association), joined Okamura General Law Office
	February 2006	Financial Securities Inspector at the Kanto Local Finance Bureau of the Ministry of Finance
	January 2008	Joined Masuda Partners Law Office
	August 2009	Established the Akira Maekawa Law Office
	February 2011	Joined Iota Law Office
	April 2016	Vice President, Dai-ichi Tokyo Bar Association (until March 2017)
	June 2021	Auditor, Kanagawa Shinkin Bank (current position)
	<u>Significant Concurrent Positions:</u> Partner, Iota Law Office Auditor, Kanagawa Shinkin Bank	

※Mr. Maekawa does not hold any shares in the Company.

Name (Date of Birth)	Brief Biography, Position and Responsibilities, and Significant Concurrent Positions	
Shinji Kusuda September 21, 1979	April 2005	Joined Nomura Securities Co., Ltd.(formerly Lehman Brothers Japan Inc.)
	December 2013	Registered as Attorney (Dai-Ichi Tokyo Bar Association), joined O'Melveny & Myers LLP
	April 2014	Director, Tsuzuki International Scholarship Foundation (current position)
	April 2018	Adjunct Professor, Keio University (current position)
	October 2025	Established the Hillford Law Office
	<u>Significant Concurrent Positions:</u> Managing Partner, Hillford Law Office Director, Tsuzuki International Scholarship Foundation Adjunct Professor, Keio University	

※Mr. Kusuda does not hold any shares in the Company.

Name (Date of Birth)	Brief Biography, Position and Responsibilities, and Significant Concurrent Positions	
Maxwell Carr-Howard April 30, 1966	1996	Registered as Attorney, served as a Judicial Law Clerk for the United States District Court, District of New Mexico
	1999	Assistant United States Attorney, U.S. Department of Justice
	2002	Partner, Husch Blackwell LLP
	2013	Partner, Dentons US LLP
	<u>Significant Concurrent Positions:</u> Partner, Dentons US LLP	

※Mr. Carr-Howard does not hold any shares in the Company

2. Purpose of Investigation

The purpose of the Investigation is to:

- (a) assess the adequacy and effectiveness of the Company's risk management, internal controls and board oversight relating to palm oil and paper / pulp supply-chain risks raised by the Report and any other information made available to the Investigators;
- (b) assess the completeness and reliability of related sustainability, supply-chain and compliance disclosures;
- (c) assess whether any weaknesses identified could reasonably be expected to be material to the Company's business and financial condition, including through impacts on brand equity, market access and the execution of the Company's growth strategy in key markets outside Japan (including the United States and Europe); and
- (d) compile an Investigation Report summarizing findings, conclusions and recommendations for corrective actions (if any).

(Note by the Company) the Report is a summary research report titled "Assessment of Kao Corporation's No Deforestation, No Peat, No Exploitation ("NDPE") Policy and Implementation Summary Report" published at www.protectkao.com

3. Method of Investigation and Reporting

- (a) The Investigators shall conduct the Investigation independently from both the Company and the Requesting Shareholders.
- (b) The Investigation period shall be three months from the date the Investigators are appointed by the EGM; provided, however, that the period may be extended within a reasonable range not to exceed an additional three

months if the Investigators deem it reasonably necessary.

- (c) By the end of the Investigation period, the Investigators shall conduct the necessary Investigation, submit a written report to the Company (the "Investigation Report") and publicly release the Investigation Report. The Investigators shall also describe the results of the Investigation Report at the first general meeting of shareholders held after its release.
- (d) The Investigators may request disclosure or submission of documents and other materials deemed necessary for the Investigation from the Company's officers and any other relevant parties, and may request its officers to prepare reports on matters deemed necessary for the Investigation. The Company's officers may not refuse such requests.
- (e) If the Company's officers, employees or other related parties do not cooperate with the Investigation, refuse or obstruct the Investigation, or if the Investigators or their assistants are directly or indirectly pressured by the Company, the Investigators shall describe such circumstances in the Investigation Report.
- (f) The Investigators may, as necessary, conduct interviews with the Company's officers and employees to determine the scope of the Investigation (the "Investigation Scope").
- (g) The Investigation Scope shall be necessary and sufficient to achieve the purpose for which the Investigators were appointed. The Investigators may, at their discretion, expand, modify, or otherwise alter the investigation scope as necessary, and in such cases, shall explain the relevant circumstances in the Investigation Report.
- (h) In determining the Investigation Scope, the Investigators shall consider the Company's costs and resource allocation so as not to cause any significant adverse effects on the Company's corporate value.
- (i) The Investigators may appoint external experts or other parties as investigation assistants and may charge the Company for their reasonable expenses.

4. Compensation

- (a) The Company shall compensate the Investigators (including daily allowances for the Investigators and their assistants) for the Investigation within a reasonable range. If the Investigators or their assistants claim compensation based on appropriate time charges for their usual work, such compensation shall be deemed reasonable.
- (b) If the Company refuses to pay all or part of the compensation for the Investigation claimed by the Investigators, the Requesting Shareholders shall compensate the Investigators for the unpaid portion.

2) Reason for Proposal

The Report raises serious material questions regarding the Company's supply-chain risk management, internal controls and related disclosures. If weaknesses are not promptly identified and addressed, the Company could face reputational harm, disruption of supply, loss of consumer trust, and higher financing costs, each of which could impair the Company's long-term corporate value.

These risks are heightened by the Company's publicly stated strategy to accelerate growth outside Japan, including through expanded distribution and brand rollouts in the United States and Europe. If supply-chain controls and disclosures are not robust, controversies involving palm oil and paper / pulp could impede market access and damage brand trust in these key growth markets, undermining the Company's long-term growth plans.

Accordingly, investigating these matters through an independent process is in shareholders' interests and supports sustainable enhancement of corporate value.

[Opinion of the Company’s Board of Directors on the Shareholder Proposal]

The Company’s Board of Directors opposes the Shareholder Proposal.

The Board of Directors of Kao Corporation considers the views of all stakeholders and is responsible for acting in the best interests of the Company and its shareholders.

From this perspective, the Board of Directors received a report on the results of its review of the points raised by the Requesting Shareholders and, following deliberation, determined that no facts have been identified that indicate any material deficiencies in the Company’s internal control system. Accordingly, the Company has determined that there is no need to conduct any additional investigation by external experts at this time.

The Company operates with robust supply chain management processes, which include supply chain management initiatives and policies for the responsible procurement of raw materials, as well as human rights due diligence. The Company regards its initiatives related to environmental, social and governance (ESG) as an important management priority and conducts its business activities in accordance with its policies, which are based on international guidelines and frameworks such as the “United Nations Guiding Principles on Business and Human Rights.” ESG initiatives and supply chain management are implemented with full accountability by management, and are overseen by the Board of Directors, a majority of whose members are independent outside directors. The Board of Directors regularly receives reports on the progress of sustainability initiatives, the effectiveness of risk management systems within the supply chain, and the adequacy of related disclosures, and has requested improvements from management as necessary. The Company believes that ensuring the proper functioning of its risk management and internal control systems under this framework enhances corporate value and serves the long-term interests of its shareholders.

Importantly, the Company’s sustainability and supply chain management initiatives have received strong ratings by multiple external ESG assessment bodies, placing the Company above peer averages within the industry. There are no facts indicating any material deficiencies in the Company’s internal control systems.

Below, the Board sets forth its views on the points raised by the Requesting Shareholders.

Ensuring the effectiveness of supply chain management

The Company recognizes deforestation and human rights issues within its supply chain as major industry-wide risks and has established and continues to operate a management framework for responsible sourcing. The Company is committed to corporate responsibility across its operations and supply chain, including through its commitment to NDPE (No Deforestation, No Peat, No Exploitation) Policy. In light of these efforts, the Board has determined that the assumptions underlying the Shareholder Proposal do not accurately reflect the Company’s actual practices.

Based on its “Policies for Procurement,” and in line with the “Partnership Requirements for Suppliers,” “ESG Promotion Activities with Suppliers,” and “High-Risk Supply Chain Management and Sourcing,” the Company conducts environmental and human rights due diligence and ongoing monitoring. When issues are identified, the Company takes appropriate actions, including conducting detailed investigations and providing guidance for improvement. Where improvements are not confirmed, the Company may take measures, including the suspension of purchases. The Company confirms improvements through engagement with the supplier before resuming transactions. This approach aims to enhance the sustainability of the entire supply chain.

As a specific example demonstrating the effectiveness of this approach, when the IOI Group, a major supplier, had its RSPO certification suspended due to unauthorized land development and development on peatland, the Company fully suspended purchases of certified oil from the group, and suspended purchases of palm kernel oil except for the minimum volume necessary to maintain ongoing production. Thereafter, the Company continued its engagement and monitoring and resumed transactions after confirming the implementation of action plans for remediation.

With respect to the suppliers identified by the Requesting Shareholders, the Board of Directors has confirmed the relevant facts. Accordingly, the Company has no direct or indirect transactions involving palm oil or palm kernel oil with those suppliers, except for the Royal Golden Eagle (RGE) Group (as described below) and Felda/FGV Holdings (FGV). With regard to FGV, the Company does not source from the mills where issues were identified. The Company believes that maintaining relationships with suppliers while identifying sources where issues have been identified and requiring remediation contributes to enhancing the sustainability of the entire supply chain.

Regarding the RGE Group, the Company has established a joint venture with its subsidiary, Apical Group Limited, in which the Company holds a 35% equity interest. The Company, in its capacity as an equity holder, leverages governance influence to ensure compliance with ESG-related policies in the operation of the joint venture. Based on the principles of the Accountability Framework Initiative (AFi), the Company engages in ongoing dialogue not only with Apical Group Limited but also with its parent company, the RGE Group, to confirm the status of relevant matters and require improvements where necessary. Through this capital relationship, the Company is able to exert a more effective influence than would be possible through engagement with suppliers alone. In addition, the Company makes appropriate decisions, including whether to continue transactions, based on third-party assessments and external information, and continues to work to identify and mitigate risks within its supply chain.

The Board of Directors has determined that the Company's supply chain management system is operating effectively and has not identified any material deficiencies that would warrant the appointment of an investigator.

Design and Operation of the Grievance Mechanism

The Requesting Shareholders have asserted that the Company's grievance mechanism is limited in scope and not accessible to key stakeholders. The Board of Directors believes that this assertion does not fully reflect the purpose and structure of the Company's system.

The Company has established a multi-layered system for receiving grievances and reports across its supply chain. The "Kao Compliance Hotline" functions as a channel accessible to a wide range of stakeholders, including business partners within the supply chain, and reports and consultations are also accepted through various contact points within relevant departments. In addition, the Company has introduced the "Kao Grievance Mechanism" as a dedicated support channel for smallholders.

In the palm oil supply chain, smallholders are more likely to face environmental and human rights risks, while often lacking sufficient access to knowledge and technical resources for improving productivity and adopting sustainable agricultural practices. The Company recognizes that, in addressing such risks, reliance solely on certification schemes is insufficient, and that direct engagement on the ground and the establishment of accessible mechanisms are essential.

As a result, the Company has established the Kao Grievance Mechanism as a system that enables smallholders in the upstream segment of the supply chain to access support directly in local languages. The Company has this mechanism in operation for independent smallholders in Indonesia and plans to expand its coverage to additional regions in a phased manner.

The mechanism accepts a broad range of inquiries, including not only issues related to environmental and human rights concerns, but also matters such as productivity improvement and farm management. It is therefore positioned not merely as a complaint-handling system, but as a framework for providing support tailored to local conditions.

Through this mechanism, the Company will continue to support the sustainable development of smallholders while enabling the early identification and prevention of risks within the supply chain.

Through these mechanisms, the Company continues to identify and mitigate risks in its supply chain and business operations by responding appropriately and implementing measures for remediation as necessary.

The Company continues to enhance the effectiveness of its risk management and internal controls through ongoing improvement, including the steady expansion of the grievance mechanism. The Board of Directors has determined that management's efforts are appropriate and will continue to oversee these efforts and monitor their progress on an ongoing basis.

Disclosure Policy on Supply Chain and Certification

The Requesting Shareholders have suggested that the Company does not disclose its suppliers for pulp and paper procurement. The pulp and paper supply chain is characterized by a multi-layered structure consisting of forestry operators, pulp manufacturers, paper manufacturers, and packaging material producers, among others. Therefore, in practice, and as seen across the industry, there are structural limitations to directly identifying and disclosing all suppliers down to the level of forestry operators.

Accordingly, the Company seeks to ensure responsible sourcing by securing traceability to forest sources, utilizing third-party certified materials such as those certified by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), and engaging with suppliers through dialogue and site visits to forests. In the pulp and paper sector, forest management and grievance handling are generally addressed through such certification actions, and the Company manages forest-related risks by leveraging these frameworks.

The Kao Group's certification rate for pulp and paper is 99.6% (FY2024 actual) and has been [independently assured](#) by KPMG AZSA Sustainability Co., Ltd. Within this, the FSC certification rate is 64% (FY2024 actual), and this information is disclosed through its responses to CDP (formerly the Carbon Disclosure Project).

It should be noted that approaches to disclosing supply chain information in the pulp and paper sector vary among companies. In addition to publishing supplier lists, some companies ensure transparency through alternative means such as disclosing the use of certified materials and traceability information. The Company will continue to enhance its disclosures regarding key suppliers and the procurement of certified materials, with a view to improving supply chain transparency.

The Requesting Shareholders also cite the Company's response to the CDP questionnaire, in which it states that "100% of revenue is dependent on palm oil and 71% to 80% is dependent on timber," and assert that these raw materials have a material impact on the Company's business.

Palm oil and timber are important raw materials used across several of the Company's business segments. However, the figures referenced in the CDP questionnaire reflect the proportion of revenue attributable to product categories that use

these raw materials, and do not represent the actual usage volumes of the raw materials themselves or their share in total procurement. For example, palm oil accounts for approximately 20% of total raw material procurement. The Company's business is not reliant on any single raw material and is composed of a diverse range of products and raw materials.

The Company will continue to review its disclosure practices to further enhance supply chain transparency.

The Board of Directors has determined that the Company has established risk management and internal control frameworks under its oversight and is implementing continuous and effective initiatives to address supply chain-related challenges.

Governance Framework and Conflicts of Interest

The Requesting Shareholders assert that conflicts of interest exist, arguing that the Representative Director, President and CEO serves as Chair of the ESG Committee, oversees the compliance framework, and is a member of the Compensation Advisory Committee, and that ESG-related indicators are included in management's long-term incentive compensation. On this basis, they claim that a comprehensive investigation cannot be conducted.

While the Representative Director, President and CEO serves as Chair of the ESG Committee, the Committee provides semiannual reports to the Board of Directors, which is composed of a majority of outside directors, as well as reports on strategic policies, target setting, and progress against KPIs and related activities. The Committee is subject to effective oversight by the Board. In addition, the Board of Directors not only receives reports on ESG-related policies and targets but also has the authority to require corrective action where necessary, and has exercised such authority in practice.

In addition, the incorporation and evaluation of ESG-related KPIs in the compensation framework are conducted based on objective evaluation indicators (as detailed in the Company's Securities Report), and are reviewed annually by the Directors and Executive Officers Compensation Advisory Committee, which is composed of all five outside directors and the President and CEO, and subsequently approved by the Board of Directors, a majority of whose members are independent outside directors. When individual evaluations of the President and CEO are conducted by the Compensation Advisory Committee and the Board of Directors, the President and CEO refrains from providing opinions.

It should be noted that Mr. Hasebe, the Representative Director, President and CEO, was in charge of compliance only until December 31, 2020. Since assuming the role of President on January 1, 2021, the Company has adopted a structure under which a Managing Executive Officer serves as Chair of the Compliance Committee. Furthermore, with respect to reports involving directors, executive officers, or other senior personnel, such matters are immediately reported to the Audit & Supervisory Board members and the Chair of the Compliance Committee and are subject to appropriate investigation and response in accordance with established procedures.

The Board of Directors has determined that there are no deficiencies in the Company's governance framework and no relationships that would give rise to conflicts of interest.

In addition, the Company has an ESG External Advisory Board, composed of external experts, as a body that provides recommendations and advice in response to consultations from the ESG Committee. To further advance the Company's sustainability initiatives, the Company is strengthening the composition of its members and will establish a framework under which the Board receives reports and advice from this Advisory Board from an independent perspective. Through these efforts, the Company aims to further enhance the effectiveness of the Board's oversight.

Conclusion of the Board of Directors

The Board of Directors, including the independent outside directors, has concluded that there are no material issues with the Company's supply chain risk management framework, internal controls, or related disclosures as alleged by the Requesting Shareholders. The Board further believes that the concerns raised by the Requesting Shareholders, including potential reputational damage, disruption to the supply of raw materials, loss of consumer trust, and increased financing costs leading to impairment of the Company's long-term corporate value are not substantiated.

For these reasons, the Board of Directors has unanimously determined that there is no need to appoint an investigator to conduct an additional review.

Accordingly, the Board opposes the Shareholder Proposal.

It should be noted that the investigator system under Article 316, Paragraph 2 of the Companies Act is currently under review, including in reports issued by study groups of the Ministry of Economy, Trade and Industry. However, irrespective of the outcome of such discussions, the Company considers that the appointment of investigators is unnecessary, as described above, the Company's risk management and internal controls systems are functioning appropriately.

In light of this broader context, the Company believes that there is no reasonable basis for appointing an investigator as requested in the Shareholder Proposal.

Kao's Board of Directors takes all stakeholder input seriously and is committed to acting in the best interests of the Company and its shareholders. The Board of Directors will continue to ensure the effectiveness of its risk management and internal control systems, including those relating to the supply chain, while steadily advancing its mid-term management plan, "K27," and pursuing further growth. Through these efforts, the Company remains committed to engaging in constructive dialogue with shareholders while enhancing corporate and shareholder value and meeting the expectations of all stakeholders.

- End -