Kirei–Making Life Beautiful

Consolidated Financial Results for the Nine Months Ended September 30, 2026

Kao Corporation
November 5, 2026

Disclaimer

Forward-looking statements such as earnings forecasts and other projections contained in these presentation materials are based on information available at this time and assumptions that management believes to be reasonable, and do not constitute guarantees of future performance. Actual results may differ materially from those expectations due to various factors.

Notes:

1. Numbers in parentheses are negative.
2. YoY: Abbreviation for year on year
3. ¥bn: Abbreviation for Japanese yen in billions
4. Year on year growth rates for net sales are all like-for-like, excluding the effect of translation of local currencies into Japanese yen. Growth by volume includes changes due to differences in product mix.
5. Changes and comparisons are all with the same period a year earlier unless otherwise noted.
6. Household & personal care (H&PC): Global consumer care products excluding cosmetics
7. GC: Abbreviation for Global Consumer Care
8. Core income: Income excluding impacts of structural reforms for FY2023.

Changes in Accounting Policy:

Due to early adoption of IFRS 18 “Presentation and Disclosure in Financial Statements” (hereafter, “IFRS 18”) in Q1 FY2026, operating income, income before income taxes, and EBITDA for FY2025 in these presentation materials have been retrospectively adjusted to reflect the change in accounting policy.

Change in EBITDA Calculation Method:

In H1 FY2026, the EBITDA calculation method was revised to include impairment losses. Accordingly, EBITDA for FY2025 presented in these presentation materials has been retrospectively restated to reflect this change.

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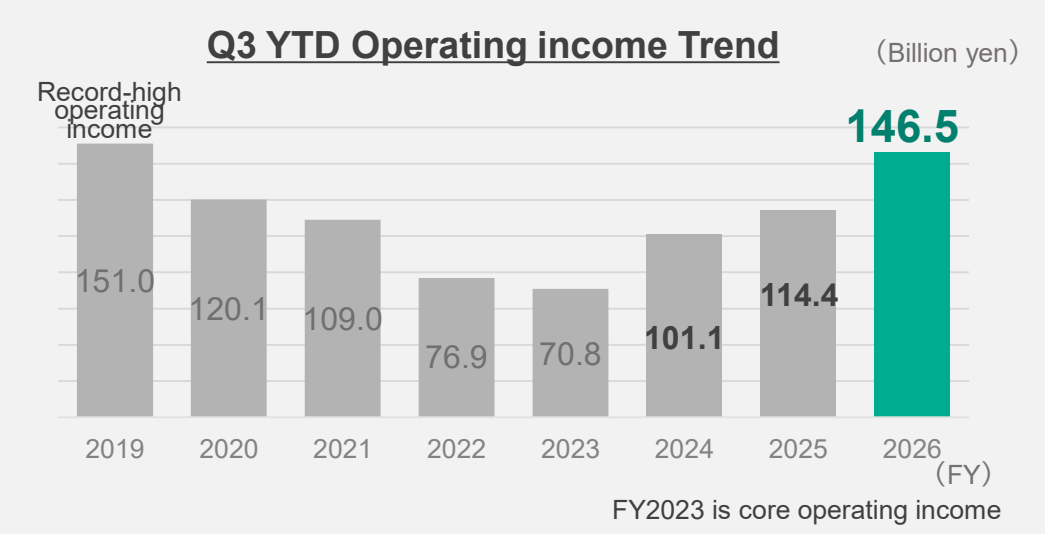
02 Financial Results
for the Nine Months Ended September 30, 2026

03 Appendix

Key Highlights

- ✓ **Q3 YTD operating income reached 146.5 billion yen (+28.1%). Net sales, net income and EPS* reached record highs. The likelihood of achieving the full-year operating income forecast of 190.0 billion yen has increased.**

- ✓ **The GC Business increased sales volume while implementing selling price increases (volume, etc. +1.2%).**
  H&PC market share in Japan rose to 25.3% (+0.4 pts)



- ✓ **Cosmetics and electronic materials businesses continued to grow steadily.**
  - **Cosmetics: Operating income increased for seven consecutive quarters**
  - **Electronic materials: Sales increased approx. 20%**

- ✓ **To ensure the success of Mid-term Plan 2027 (“K27”) and further growth thereafter, the Kao Group will implement measures in Q4 to strengthen its earnings base, mainly in businesses outside Japan.**

Growth rates and changes are all compared with the same period a year earlier.
* Basic earnings per share

02

Financial Results

for the Nine Months Ended September 30, 2026

Highlights of Consolidated Financial Results

Billion yen	FY2025 Q3 YTD *1	FY2026 Q3 YTD	Growth	Change
Net sales	1,232.0	**1,319.3**	+7.1%	+87.3
		Effect of currency translation*4	+4.0%	+49.6
		Like-for-like growth	+3.1%	+37.6
Gross profit	481.3	**529.4**	+10.0%	+48.1
Gross margin(%)	39.1%	**40.1%**	-	+1.1pts
Operating income	114.4	**146.5**	+28.1%	+32.1
Operating margin(%)	9.3%	**11.1%**	-	+1.8pts
Income before income taxes	119.4	**148.7**	+24.5%	+29.2
Net income	84.9	**105.7**	+24.5%	+20.8
Net income attributable to owners of the parent	84.7	**105.1**	+24.0%	+20.3
EBITDA*2 (Operating income + Depr. & Amort.+ Impairment losses)	178.5	**214.3**	+20.0%	+35.7
Basic earnings per share (yen)*3	91.32	**116.12**	+27.2%	+24.80

1. Due to early adoption of IFRS 18, operating income, income before income taxes, and EBITDA for Q3 FY2025 are presented on a retrospectively adjusted basis. (For details, please refer to page 27.)
2. Due to the change in the calculation method, the Q3 FY2025 figure is presented on a retrospectively adjusted basis.
   Changes 1 and 2 also apply to the subsequent pages.
3. Amounts are presented after reflecting the impact of a share split at a ratio of two shares for each ordinary share conducted on the effective date on July 1, 2026.
4. Exchange rates: 158.52 yen/USD, 184.07 yen/Euro, 23.24 yen/Yuan

Highlights of Q3 Consolidated Financial Results (Jul.-Sep.)

Billion yen	FY2025 Q3	FY2026 Q3	Growth	Change
Net sales	423.0	**447.4**	+5.8%	+24.4
		Effect of currency translation[*2]	+3.3%	+14.1
		Like-for-like growth	+2.4%	+10.3
Gross profit	169.5	**182.2**	+7.5%	+12.7
Gross margin(%)	40.1%	**40.7%**	-	+0.7pts
Operating income	45.2	**50.7**	+12.1%	+5.5
Operating margin(%)	10.7%	**11.3%**	-	+0.6pts
Income before income taxes	47.7	**51.3**	+7.7%	+3.7
Net income	35.4	**39.5**	+11.5%	+4.1
Net income attributable to owners of the parent	35.1	**39.4**	+12.3%	+4.3
EBITDA (Operating income + Depr. & Amort.+ Impairment losses)	66.6	**73.6**	+10.6%	+7.1
Basic earnings per share (yen)[*1]	37.93	**43.54**	+14.8%	+5.61

1. Amounts are presented after reflecting the impact of a share split at a ratio of two shares for each ordinary share conducted on the effective date of July 1, 2026.
2. Exchange rates: 159.31 yen/USD, 183.31 yen/Euro, 23.63 yen/Yuan

Key Points of Results and Future Initiatives

Strategic role of FY2026

Further strengthening our sustainable earning power and accelerating the shift to growth.
Ensuring the success of K27 and building a foundation for step-change growth thereafter.

FY2026 Q3 Results

Net sales 1,319.3 ¥bn
+3.1% on a like-for-like basis

Operating income 146.5 ¥bn
(+32.1 ¥bn; +28.1%); margin 11.1%

ROIC 11.2%
+2.0 pts YoY

- ✓ The GC Business in Japan expanded market share following price increases, further strengthening its earnings base.
- ✓ In the GC Business outside Japan, growth was driven by Cosmetics (+11% YoY) and Health Beauty Care (+7% YoY) in Asia.
- ✓ In the Chemical Business selling price adjustments continued to have a positive effect, and sales of performance chemicals and information materials, centered on electronic materials, increased.
- ✓ ROIC improved to 11.2% as capital efficiency continued to improve steadily.

Initiatives and Outlook for Q4

- ✓ The Kao Group will continue to focus on growth areas and implement measures to strengthen the earnings base of businesses outside Japan.
- ✓ The Kao Group will work to ensure the achievement of its full-year operating income forecast of 190.0 billion yen by responding flexibly to the impact of rising raw material costs in the GC Business, which is expected to emerge in Q4, fluctuations in fats and oils market prices in the Chemical Business, and other factors.

Consolidated Net Sales by Segment/Geographic Region in Q3 YTD

- GC Business sales increased 3.4%, driven by strong performance in Japan. Outside Japan, Cosmetics and Health Beauty Care in Asia drove growth. Measures to strengthen the earnings base for growth are being implemented in certain businesses facing challenges.
- Chemical Business sales increased 2.5% due to the continued positive effect of selling price adjustments and growth in sales of performance chemicals and information materials, centered on electronic materials.

	Japan		Asia		Americas		Europe		Outside Japan		Consolidated	
	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like
Fabric & Home Care	260.4	5.6%	31.4	(0.5)%	2.2	(16.7)%	-	-	33.6	(1.7)%	294.0	4.8%
Sanitary	52.7	(1.3)%	69.7	(1.4)%	-	-	-	-	69.7	(1.4)%	122.3	(1.3)%
Hygiene Living Care Business	313.1	4.4%	101.1	(1.1)%	2.2	(16.7)%	-	-	103.3	(1.5)%	416.4	2.9%
Health Beauty Care Business	172.3	3.2%	30.5	6.8%	89.8	2.0%	49.2	(4.5)%	169.4	0.9%	341.7	2.1%
Cosmetics Business	132.0	7.2%	40.6	11.1%	5.4	(4.5)%	21.4	(2.7)%	67.4	4.9%	199.4	6.5%
Business Connected Business	28.6	3.3%	0.6	117.5%	-	-	-	-	0.6	117.5%	29.2	4.4%
GC Business	646.0	4.6%	172.8	3.0%	97.4	1.1%	70.6	(4.0)%	340.7	1.0%	986.7	3.4%
Chemical Business*	115.3	7.7%	99.6	1.5%	71.5	(0.2)%	82.4	(1.6)%	253.5	(0.0)%	368.8	2.5%
Consolidated	730.8	5.1%	269.1	2.2%	168.8	0.6%	150.6	(2.9)%	588.5	0.4%	1,319.3	3.1%

* Net sales of the Chemical Business include intersegment transactions.

- Sales by geographic region are classified based on the location of the sales recognized.

Consolidated Results by Segment in Q3 YTD

- GC Business: Operating income increased across all segments, driven by the promotion of high-value-added products. Price pass-through was also implemented to offset rising raw material costs. The operating margin of the GC Business outside Japan improved to 8.1% (+2.1 pts YoY).
- Chemical Business: Operating income increased, driven by improved profit margins from selling price adjustments and steady growth in performance chemicals and information materials.

	Net sales				Operating income			Overview
	Q3 YTD (Billion yen)	Like-for-like	By Volume	By Price	Q3 YTD (Billion yen)	Change	Operating margin	
Fabric & Home Care	**294.0**	**4.8%**	**(0.4)%**	**5.2%**	**57.5**	**5.7**	**19.6%**	Laundry detergents in Japan maintained solid market share performance and delivered strong sales even after price increases. Operating margin improved due to promotion of high-value-added products and price pass-through.
Sanitary	**122.3**	**(1.3)%**	**(1.3)%**	**(0.0)%**	**6.4**	**0.4**	**5.2%**	Promoted profitability-focused management. Operating income increased due to strong performance by *Laurier* in Asia.
Hygiene Living Care Business	**416.4**	**2.9%**	**(0.7)%**	**3.6%**	**63.8**	**6.1**	**15.3%**	—
Health Beauty Care Business	**341.7**	**2.1%**	**1.0%**	**1.1%**	**32.3**	**2.7**	**9.5%**	Skin care sales grew in Asia and the Americas. In Japan, high-value-added products contributed to an increase in operating income.
Cosmetics Business	**199.4**	**6.5%**	**5.7%**	**0.7%**	**9.8**	**6.9**	**4.9%**	Operating income increased substantially due to the contribution of sales growth and improved profitability in Japan and Asia. In particular, *Curél*, *KATE*, and *SENSAI* grew significantly.
Business Connected Business	**29.2**	**4.4%**	**(0.6)%**	**5.0%**	**1.8**	**0.6**	**6.2%**	In addition to kitchen cleaning agents for the food service sector and products for the nursing care sector, guest room amenities for the lodging and leisure sector performed well.
GC Business	**986.7**	**3.4%**	**1.2%**	**2.2%**	**107.8**	**16.3**	**10.9%**	—
Chemical Business	**368.8**	**2.5%**	**(3.4)%**	**5.9%**	**27.0**	**4.7**	**7.3%**	Sales of information materials grew, centered on electronic materials, and performance chemicals sales remained steady. The effects of selling price adjustments and unrealized gains contributed to operating income.
Consolidated	**1,319.3**	**3.1%**	**(0.2)%**	**3.3%**	**146.5***	**32.1**	**11.1%**	* Includes an 11.5 ¥bn gain on sale of land (Not allocated to any business segment)

Net sales of the Chemical Business include intersegment transactions.

- Growth by volume includes changes due to differences in product mix.
- Sales by geographic region are classified based on the location of the sales recognized.

Q3 Consolidated Net Sales by Segment/Geographic Region (Jul.-Sep.)

- GC Business sales increased 2.0%, driven by Japan. In Asia, both skin care and cosmetics grew by double digits in Thailand, a key market.
- Chemical Business sales increased 3.7% due to the continued positive effects of selling price adjustments in Japan and a return to sales growth in the Americas and Europe.

	Japan		Asia		Americas		Europe		Outside Japan		Consolidated	
	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like
Fabric & Home Care	93.0	3.5%	11.3	13.1%	0.7	(25.1)%	-	-	12.0	10.2%	105.0	4.2%
Sanitary	18.5	6.7%	22.2	(7.6)%	-	-	-	-	22.2	(7.6)%	40.7	(1.4)%
Hygiene Living Care Business	111.5	4.0%	33.5	(1.4)%	0.7	(25.1)%	-	-	34.2	(2.0)%	145.6	2.6%
Health Beauty Care Business	59.1	(0.7)%	10.2	8.5%	27.5	(2.9)%	16.3	(3.8)%	54.0	(1.1)%	113.1	(0.9)%
Cosmetics Business	45.2	8.2%	13.4	5.1%	1.9	(6.0)%	8.0	(2.2)%	23.3	1.5%	68.5	5.9%
Business Connected Business	9.8	0.2%	0.3	61.5%	-	-	-	-	0.3	61.5%	10.1	1.0%
GC Business	225.6	3.3%	57.4	1.9%	30.0	(3.7)%	24.3	(3.3)%	111.7	(0.8)%	337.2	2.0%
Chemical Business*	38.5	9.8%	32.3	(1.3)%	24.3	3.6%	26.5	1.3%	83.0	0.9%	121.5	3.7%
Consolidated	254.7	4.6%	88.4	0.1%	54.2	(0.6)%	50.1	(1.4)%	192.7	(0.5)%	447.4	2.4%

* Net sales of the Chemical Business include intersegment transactions.

- Sales by geographic region are classified based on the location of the sales recognized.

Q3 Consolidated Results by Segment (Jul.-Sep.)

- GC Business: Operating margin improved by 1.0 pts YoY.
- Cosmetics Business: Strengthening of focus brands, profit structure reforms, and growth outside Japan progressed steadily, resulting in operating income growth for seven consecutive quarters.

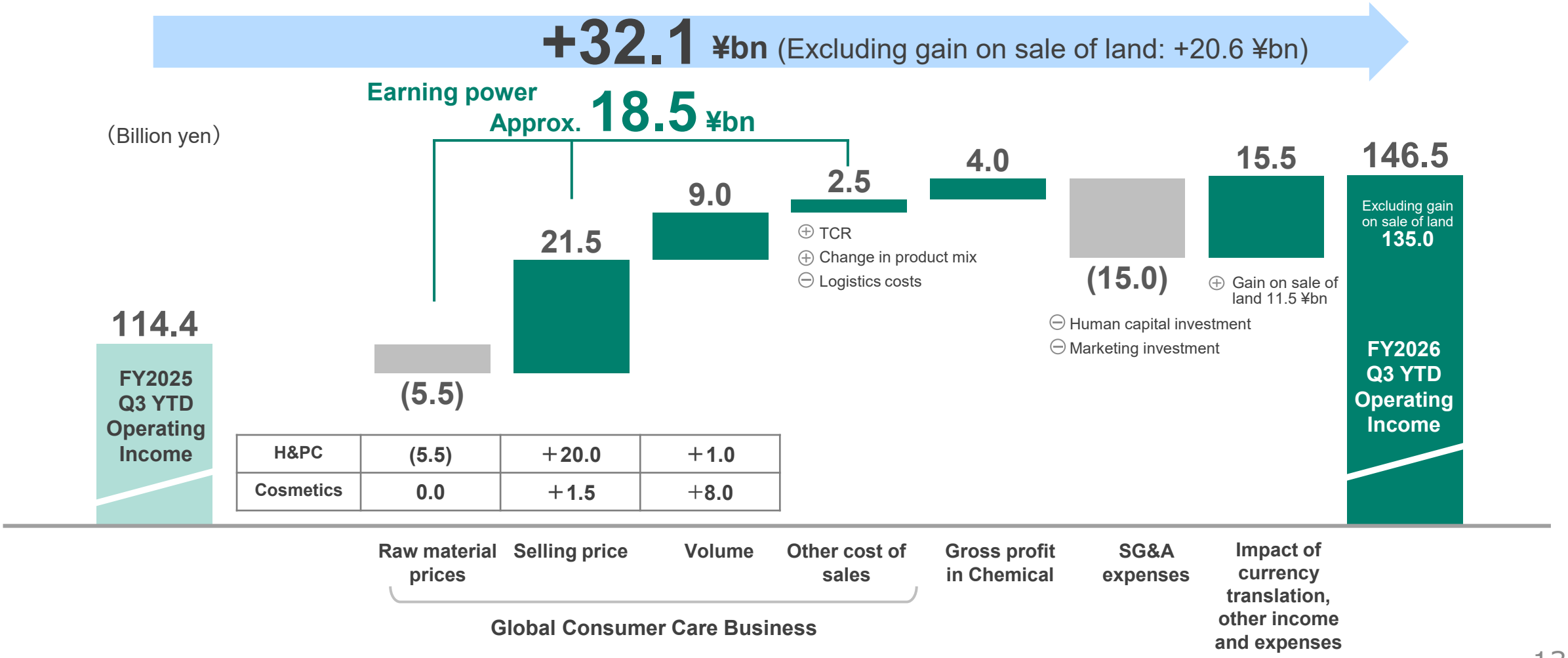
	Net sales				Operating income		
	Billion yen	Like-for-like	By Volume	By Price	Billion yen	Change	Operating margin
Fabric & Home Care	105.0	4.2%	(4.0)%	8.1%	22.8	2.2	21.7%
Sanitary	40.7	(1.4)%	(2.6)%	1.2%	1.9	0.3	4.7%
Hygiene Living Care Business	145.6	2.6%	(3.6)%	6.2%	24.7	2.5	16.9%
Health Beauty Care Business	113.1	(0.9)%	(2.8)%	1.9%	12.4	1.0	11.0%
Cosmetics Business	68.5	5.9%	5.5%	0.5%	4.0	1.5	5.9%
Business Connected Business	10.1	1.0%	(8.6)%	9.6%	1.0	0.2	9.6%
GC Business	337.2	2.0%	(1.7)%	3.7%	42.0	5.1	12.5%
Chemical Business*	121.5	3.7%	(7.0)%	10.7%	8.9	0.9	7.3%
Consolidated	447.4	2.4%	(3.2)%	5.6%	50.7	5.5	11.3%

* Net sales of the Chemical Business include intersegment transactions.

- Growth by volume includes changes due to differences in product mix.
- Sales by geographic region are classified based on the location of the sales recognized.

Analysis of Change in Operating Income in Q3 YTD (YoY Change)

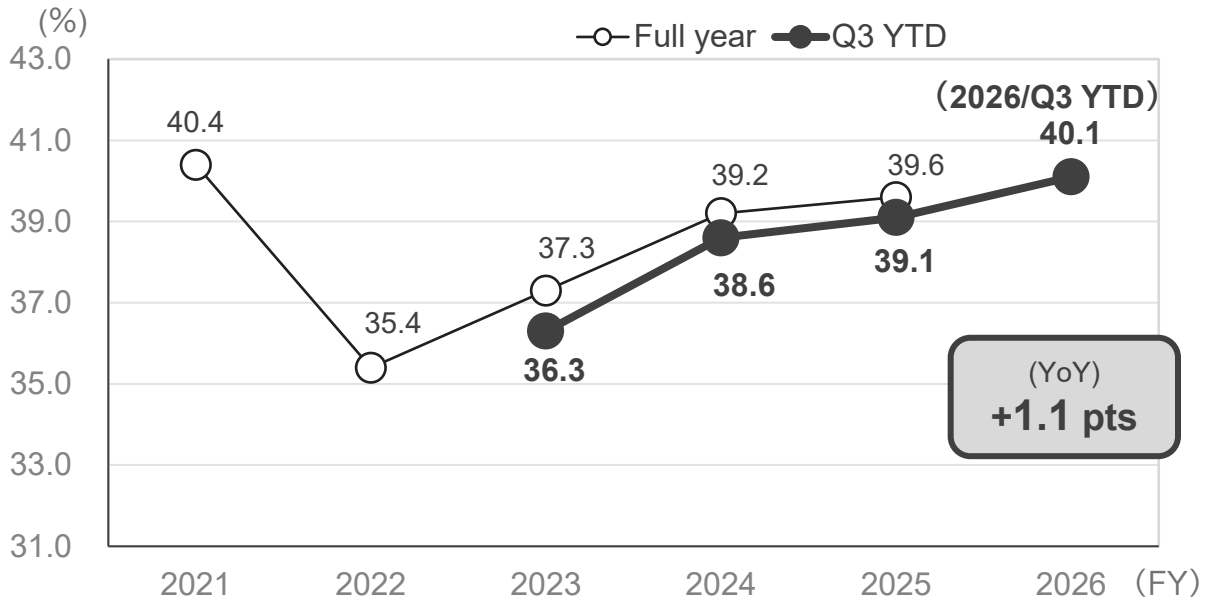
- Selling price increases exceeding rising raw material costs, combined with sales volume growth led by Cosmetics, drove strong profit growth.
- Strategic investment in human capital and the effective allocation of marketing investment contributed to enhanced earning power and sales volume growth.



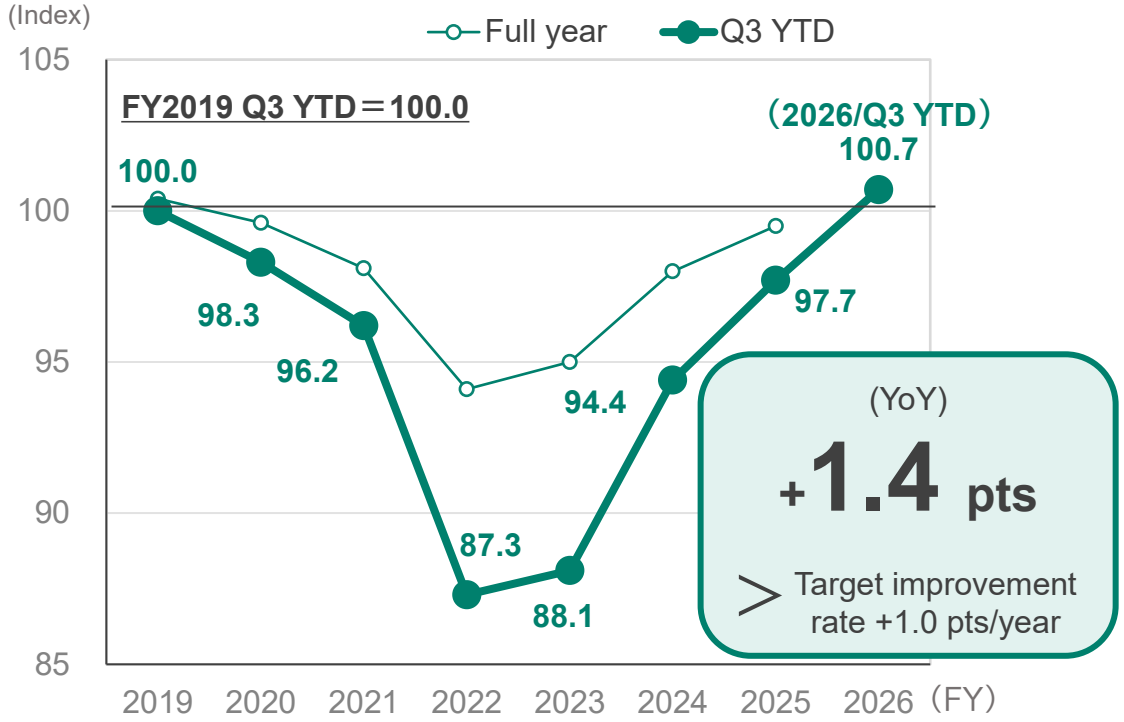
Further Improvement of Earning Power

- Mechanisms to drive gross profit growth, such as the launch of high-value-added products, Total Cost Reduction (TCR) initiatives, and product mix improvements, have become firmly established. Together with price pass-through to offset higher raw material costs, these measures further enhanced earning power (+1.1pts YoY).

Consolidated Gross Margin(%)



GC Business Gross Margin (Index)



Gross margin for FY2023 represents "core gross margin."

Kao's Model for Profitable Growth in the GC Business in Japan

- Amid significant changes in the external environment, Kao continues to achieve profitable growth by accurately capturing changes in consumers' lifestyles and purchasing behavior and leveraging its unique strengths.



Further Reinforcing the GC Business in Japan: Q3 YTD Results

- A consistent brand concept and high-value-added products strengthened brand loyalty, while cross-category sales expansion drove sustainable profit growth.

H&PC

Kao's market share

25.3%

+0.4 pts YoY

From July 2023, **13** consecutive quarters of YoY growth

Market Share of Jan.-Sep. 2026 (%)
YoY change (pts)

Representative Brands

Premium Price Segment

Creating new value

Mass-market Price Segment

Stable earnings base

Laundry detergents

No.1

47% +1.3 pts



Sunscreens

No.1

35% +1.2 pts



Facial cleansers

No.1

34% +5.7 pts



In-bath hair care

No.1

15% +1.2 pts



Cosmetics

Six Focus Brands

Sales growth **+13%**

(Market: (1)%)

Curél **+23%**



KATE TOKYO **+14%**



SOFINA **+6%**



No.1: INTAGE, Inc. SRI+, Oct. 2025-Sep. 2026, Sales value

Further Reinforcing the GC Business in Japan: New Product Results

- Promote high-value-added products by launching new products that leverage technological capabilities with exclusive uniqueness.
- Expand the customer base by entering new price segments and categories.

Promote High-Value-Added Products



Bioré Deep-Pore Melting Clay Facial Wash

Pore Care Benefits

Since Apr. 2026

Series Sell-out Growth (YoY)	Cumulative Units Shipped
+203%	**Over 2.7 million** *1

Promote High-Value-Added Products



est Genoluxe Cream

Advanced Technology, World-First Features *2

Since Sep. 2026

Sales vs. Plan	New Customers
+43% *3	**48%** *4

Expand Customer Base



Magiclean Antimold Air Diffuser

Easy-to-Use Design

Since May 2026

Sales vs. Plan	Share in Standalone Products
+70%	**50%** *5

Expand Customer Base



SOFINA BASIC+

Entering a New Mid-Price Segment

Since Aug. 2026

Sales vs. Plan	New-to-Brand Customers
+18%	**73%** *6

・In *Nikkei Trendy*'s "2026 Hit Awards by industry," *Bioré Deep-Pore Melting Clay Facial Wash* won the Grand Prize in the Beauty category, and *Magiclean Antimold Air Diffuser* won the Grand Prize in the H&PC category.

1. Cumulative units shipped from launch through Oct. 28, 2026.
2. A film-forming approach using a composition containing four essential components—specific fine fibers, nonvolatile oils, polyols, and volatile components—to form a film that adheres uniformly and closely to the skin (a prior-art literature search using a search report [Jul. 2020] and a prior-art search conducted by a third-party organization [Aug. 2026]).
3. Calculated using in-store sales at stores staffed by beauty consultants and direct e-commerce sales (our e-commerce site and the official *est* shop on Rakuten Ichiba).
4. Calculated using direct e-commerce (our e-commerce site and the official *est* shop on Rakuten Ichiba) (Sep. 4–30, 2026).
5. Calculated using INTAGE SRI+ data for the mold prevention market, limited to products defined by Kao as "standalone" products (May–Sep. 2026).
6. Skip data, Aug. 4–Oct. 3; customers who made no *SOFINA* purchases in the previous year.

Strengthening Focus Businesses outside Japan: Q3 YTD Results

- Achieved steady growth centered on key brands and strategic areas.

				YoY sales growth
Cosmetics	Europe Americas Asia	SENSAI Curél KATE TOKYO etc.	Strengthened global collaboration to drive the “Three Strategic Expansion Models. *KATE*: Ramped up the promotion rollouts in tandem with Japan starting in Thailand. *Curél*: Expanded the business foundation in the Americas and Europe, including a rollout into Northern Europe. *SENSAI*: Maintained steady growth, backed by the strong performance of new products in Europe.	+ 5%
Skin protection **(UV care, Self tanning)**	Europe Americas Asia		*Bioré UV* (Americas): Sell-out remained strong at key strategic retail chains in North America. (Asia): Expanded rollout and increased sales in ASEAN, using new products as a hook. *Bondi Sands*: Expanded distribution and outpaced market growth in North America.	+ 10%
JERGENS Base **(Skin care)**	Americas Asia		The transition to restaged products has begun. Digital initiatives continued to drive increased awareness among younger consumers, sustaining sales growth.	+ 2%
Laurier **(Sanitary products)**	Asia		Promoted globally integrated value creation and loyalty marketing. Achieved double-digit growth in China and maintained upper-single-digit growth in Indonesia.	+ 5%
Electronic materials **(Chemicals)**	Europe Americas Asia		Strong demand for generative AI and data centers drove rapid global growth, particularly in Asia.	+ 19%

Chemical Business - Situation through Q3 and Initiatives for Q4

- In Q3 YTD, the effects of selling price adjustments for oleo chemicals and consumer care chemicals in Japan and Asia and growth in sales of performance chemicals and information materials contributed to a continued increase in operating income.
- In Q4, the Kao Group will make selling price adjustments and strengthen inventory management to address volatility in the fats and oils market and intensifying competition in Asia, while aiming to expand profits, with a focus on electronic materials.

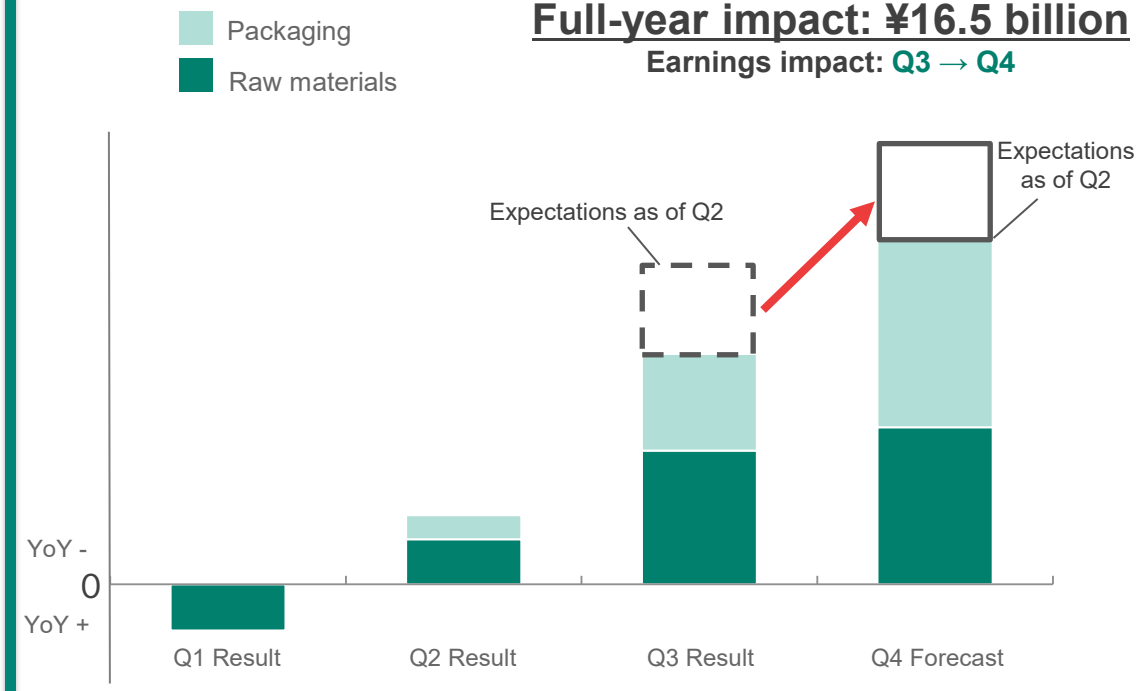
	Oleo chemicals	Consumer care chemicals	Performance chemicals	Information materials
Main Products	 ✓ Fatty alcohols ✓ Tertiary amines ✓ Emulsifiers for food	 ✓ Surfactants and formulated products ✓ Fragrances	 ✓ Water-reducing admixtures for concrete ✓ Plastic additives ✓ Casting sand binders ✓ Cleaning agents for steel ✓ Chemicals for electronic components	 ✓ Toners, Toner binders ✓ Inkjet ink colorants and inks ✓ Electronic materials - Semiconductors chemicals - Hard disk chemicals
Situation up to Q3	Profits improved due to the effects of selling price adjustments, mainly in Japan and Asia.	Although the effects of selling price adjustments contributed positively, competition intensified in Asia.	Performance remained strong, benefiting from demand captured for information infrastructure (data centers, etc.).	Sales of electronic materials (chemicals for semiconductors and hard disks) grew steadily.
Initiatives in Q4	Adjust selling prices and strengthen inventory management to address volatility in the fats and oils market.	Continue expanding sales of high-value-added products to counter intensifying competition in Asia.	Steadily capitalize on the growth of information infrastructure (data centers, etc.) and continue sales expansion in related sectors.	Increase profit by accelerating customer adoption and sales expansion of electronic materials, primarily in semiconductor-related fields.

Impact of Raw Material Prices: Earnings Impact is Now Expected in Q4

- In the GC Business, raw material prices rose during Q3, but most of the earnings impact is now expected in Q4 rather than Q3.
- The Chemical Business is adjusting selling prices and strengthening inventory management to prepare for potential changes in inventory valuation in Q4 resulting from current market price volatility for fats and oils.

GC Business | FY2026 Quarterly Results and Forecast

Impact on earnings (YoY)



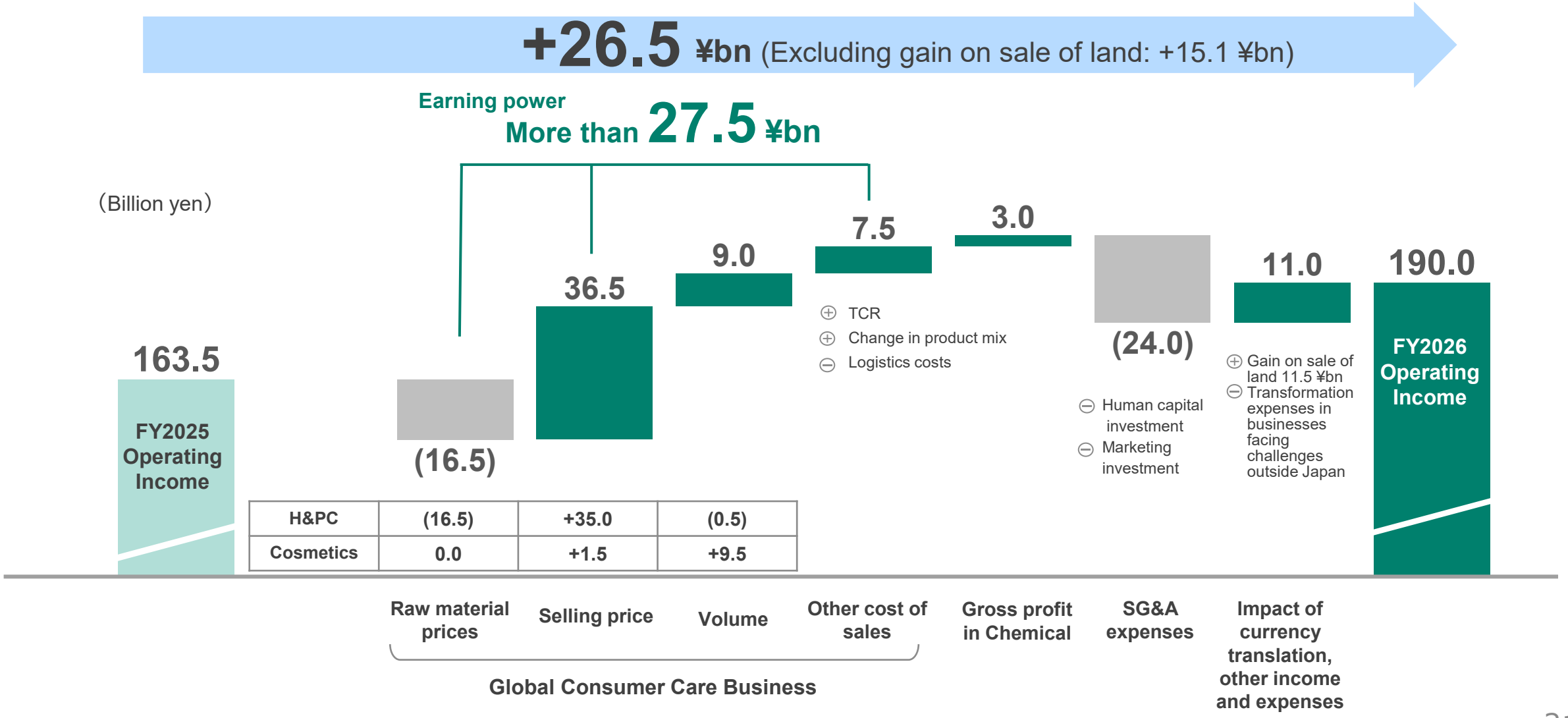
Chemical Business | Q4 Risks from Volatility in Fats and Oils Prices

Fats and oils market prices trend



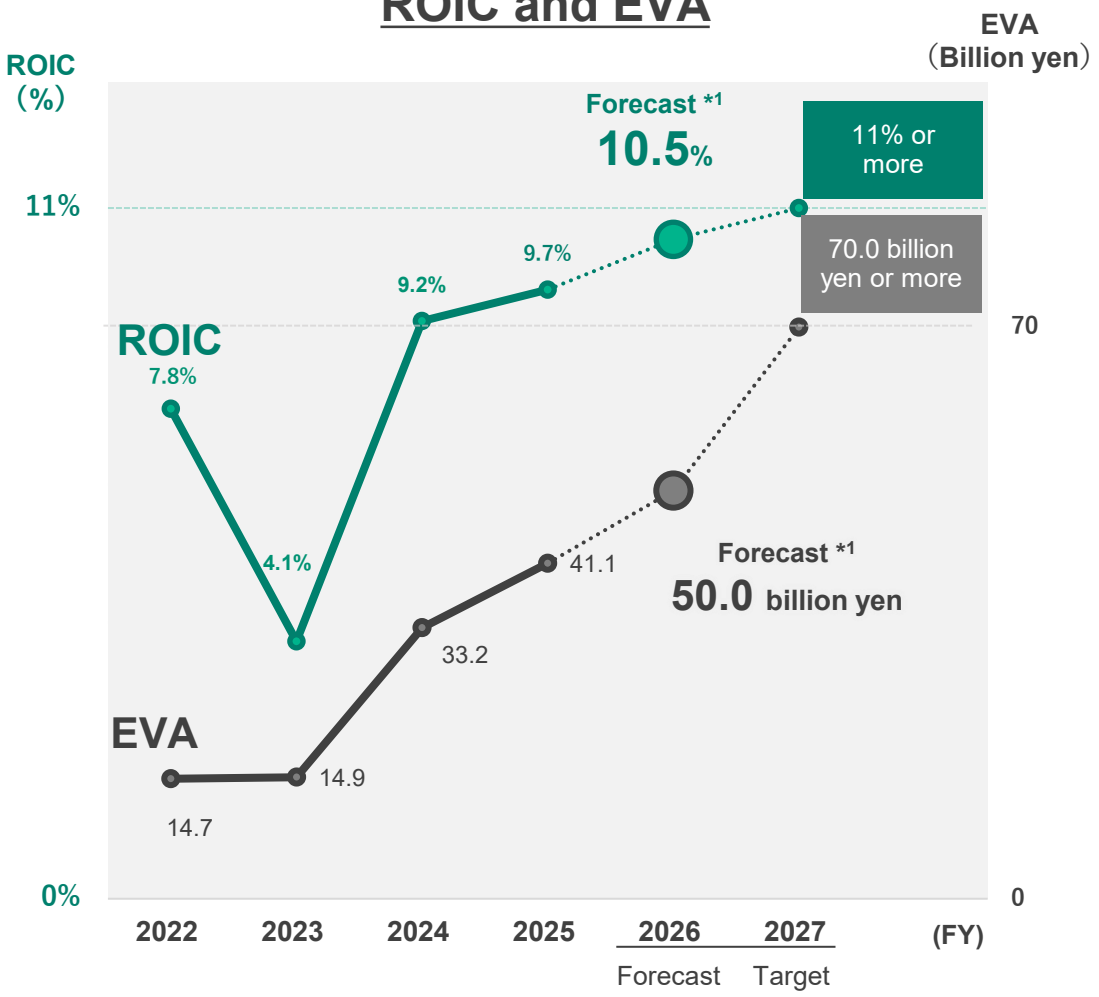
Forecast of Factors in Operating Income in FY2026 (vs. FY2025 Results)

- Earning power is expected to offset the impact of higher raw material costs and increased SG&A expenses, with operating income forecast to increase by 26.5 billion yen for the full year.

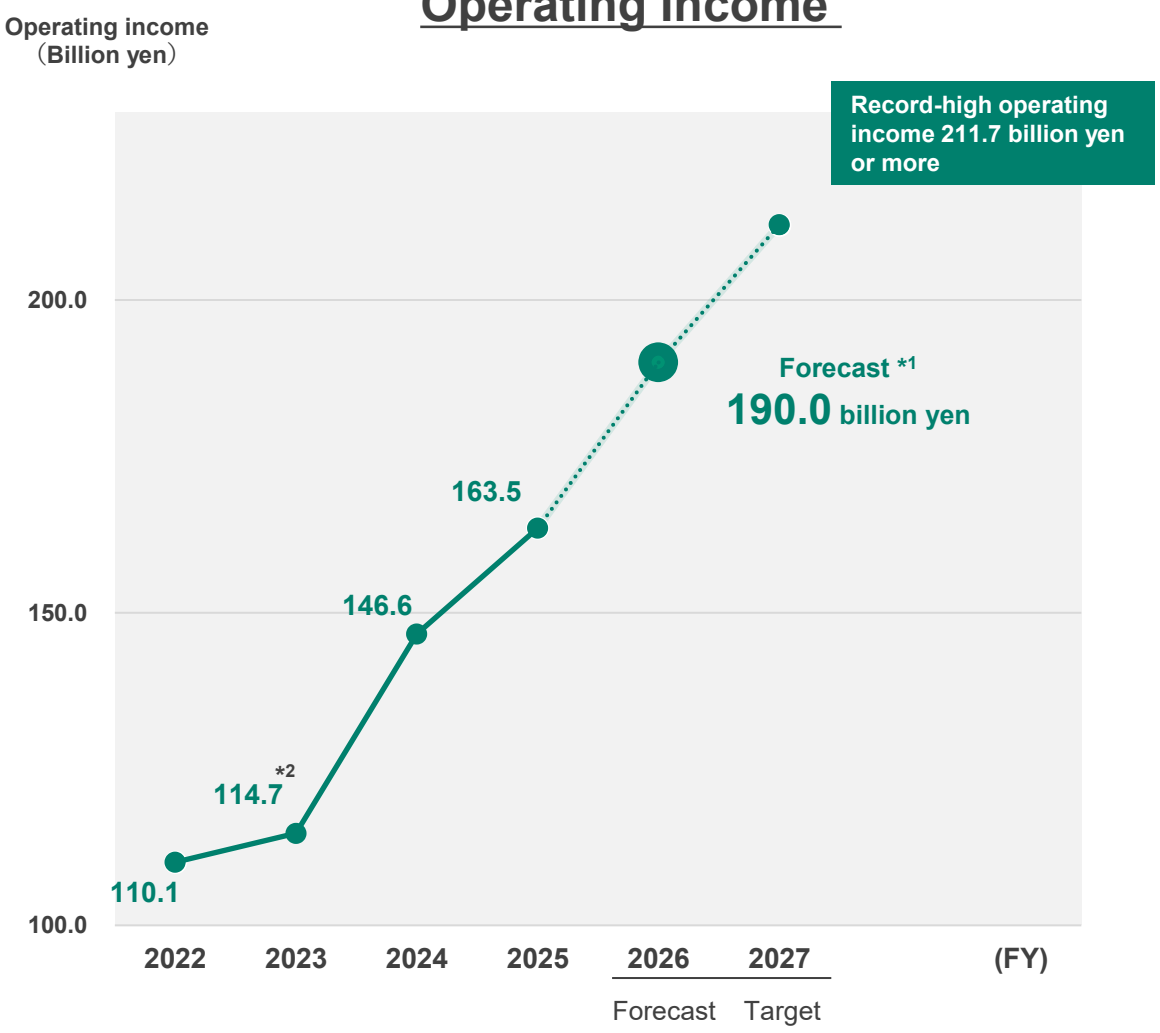


K27 Progress

ROIC and EVA



Operating Income



1. Announced on August 5, 2026
2. Operating Income for FY2023 represents “core income”

03

Appendix

Responsible Sourcing of Raw Materials: Third-Party Review

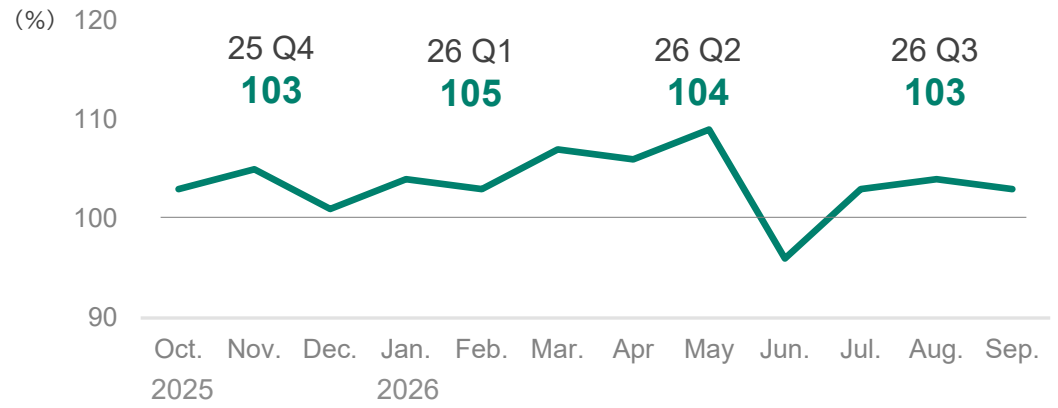
As explained at the Extraordinary General Meeting of Shareholders in April 2026, we are conducting a review as part of our ongoing efforts to enhance the effectiveness of supply chain governance. The review aims to verify the facts more objectively and enhance transparency.

Review Scope	Fact-finding regarding the palm oil and pulp and paper businesses of a particular business partner, taking into account issues raised by external parties
Review Organizations	Specialist organizations covering environmental and plantation management investigations and risk advisory services
Publication of Results	Scheduled for December 2026

Consumer Products Market in Japan

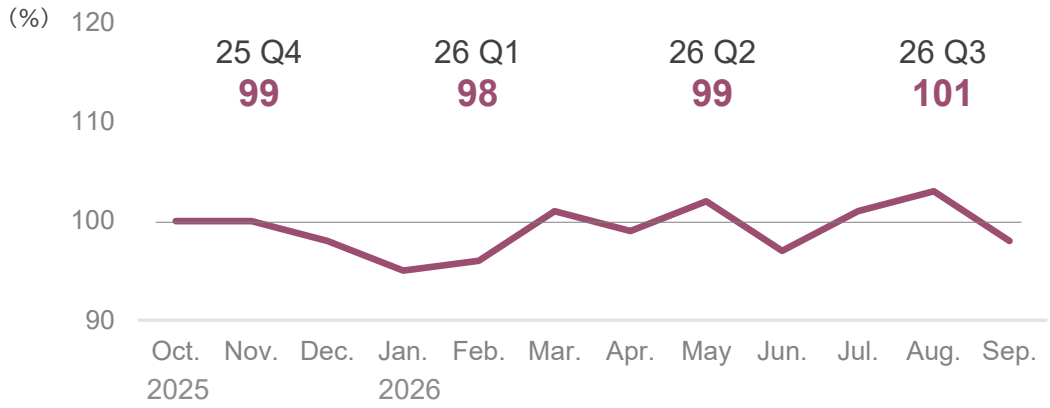
Growth of H&PC Market

87 categories, SRI+[1]
Market growth rate in value terms



Growth of Cosmetics Market

26 categories, New SLI[2]
Market growth rate in value terms



Market Growth Rates of Major Categories

vs. previous year	Jul.	Aug.	Sep.	Q3
H&PC total	**103**	**104**	**103**	**103**
Laundry detergents	101	103	101	102
Fabric softeners	101	103	102	102
Bath cleaning products	109	116	117	114
Sanitary napkins	109	106	106	107
Baby diapers	96	99	98	98
Sunscreens	92	96	74	90
Hand soaps	102	104	98	101
Hand sanitizers	100	91	106	99
Bath additives	110	110	119	113

Market Growth Rates of Major Categories

(Source: INTAGE Inc.)

vs. previous year	Jul.	Aug.	Sep.	Q3
Cosmetics total	**101**	**103**	**98**	**101**
Skin care products	104	103	99	102
Facial cleansers/ Makeup removers	102	108	96	102
Lotions/emulsions/creams	103	104	101	102
Serums	104	93	96	98
Makeup products	100	101	100	100
Makeup bases	101	105	100	102
Point makeup products	99	97	100	99
Other	91	104	85	94
Sunscreens	89	102	78	91

1. SRI+: Estimates based on POS data from approx. 6,000 retail outlets in Japan

2. New SLI: Estimates based on a panel survey of approx. 40,000 consumers in Japan

Kao's Main Markets outside Japan

Asia

Market growth rate in value terms (% vs. previous year)	China (including e-commerce)				Indonesia				Thailand			
	25 Q4	26 Q1	26 Q2	26 Q3	25 Q4	26 Q1	26 Q2	26 Q3	25 Q4	26 Q1	26 Q2	26 Q3
Baby diapers	-	-	-	-	97	96	92	**95**	82	76	77	**85**
Sanitary napkins and panty liners	96	94	97	**92**	105	108	107	**108**	103	102	103	**104**
Laundry detergents	-	-	-	-	102	103	108	**109**	104	102	110	**113**
Sunscreens	-	-	-	-	-	-	-	-	96	99	106	**102**
House cleaning products	-	-	-	-	-	-	-	-	100	97	99	**107**

Source: NielsenIQ

Americas and Europe

Market growth rate in value terms (% vs. previous year)	U.S.				U.K.				Germany			
	25 Q4	26 Q1	26 Q2	26 Q3	25 Q4	26 Q1	26 Q2	26 Q3	25 Q4	26 Q1	26 Q2	26 Q3
Hair care	105	107	109	**105**	105	105	105	**106**	109	107	103	**104**
Facial care products	106	105	107	**103**	-	-	-	-	-	-	-	-
Sunscreens	105	121	103	**108**	120	95	113	**115**	108	105	108	**115**
Self tanning	116	107	107	**117**	101	97	100	**102**	143	116	130	**115**
Hand and body lotions	109	105	110	**108**	-	-	-	-	-	-	-	-

Source: Circana

IFRS 18 “Presentation and Disclosure in Financial Statements”

- IFRS 18 was early adopted in Q1 FY2026. Due to the reclassification of categories, a portion of foreign exchange gains and losses is reflected in operating income.

Nine months ended September 30, 2025 (Millions of yen)

IAS 1		Reclassification	IFRS 18			
Accounts	Amounts		Amounts	Notes	Accounts	
Net sales	1,232,034	-	1,232,034		Net sales	Operating
Cost of sales	(750,699)	-	(750,699)		Cost of sales	
Gross profit	481,335	-	481,335		**Gross profit**	
Selling, general and administrative expenses	(367,336)	-	(367,336)		Selling, general and administrative expenses	
Other operating income	13,346	-	13,346		Other operating income	
Other operating expenses	(12,478)	(465)	(12,943)	1	Other operating expenses	
Operating income	114,867	(465)	114,402		**Operating income**	
		2,807	2,807	2	Share of profit in investments accounted for using the equity method	Investing
		1,275	1,275	1,3	Other investment income and expenses	
		3,617	118,484		**Income before financing and income taxes**	
Financial income	4,369	(802)	3,567	1,3	Financial income	Financing
Financial expenses	(2,631)	-	(2,631)		Financial expenses	
Share of profit in investments accounted for using the equity method	2,807	(2,807)	-	2		
Income before income taxes	119,412	8	119,420		**Income before income taxes**	
Income taxes	(34,511)	(8)	(34,519)	1	Income taxes	Income taxes
Net income	84,901	-	84,901		**Net income**	

Foreign exchange gains and losses

1. Reclassification of foreign exchange differences：Under IAS 1, foreign exchange differences were presented within financial income. Under IFRS 18, they are classified and presented within the operating, investing, financing, or income taxes categories. Foreign exchange differences arising from intragroup loans are classified in the same category in which the income and expenses arising from those loans would have been classified before their elimination on consolidation.
2. Reclassification of share of profit in investments accounted for using the equity method：Under IFRS 18, the share of profit in investments accounted for using the equity method is presented within the investing category.
3. Reclassification of other investment income and expenses：Under IAS 1, interest and dividend income was presented within financial income. Under IFRS 18, it is presented as other investment income and expenses.


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