

Bringing the Power to Keep Being Chosen in the AI Era to the World

July 14, 2026 Marketing Strategy Briefing

Executive Director
Global Consumer Care
Head of the Marketing Innovation Center
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Presenter



Hirofumi Ito

Executive Director
Global Consumer Care
Head of Marketing Innovation Center

Driving brand building and global operations for 25+ years

Brand-building track record
in Japan

Global business leadership

2001–

ASIENCE Project Leader
Recaptured No.1 in Hair Care



2005–

Asia Group Manager
ASIENCE: Launched in 5 Asian Countries

2008–

NIVEA Brand Manager
Doubled Sales (2 X)



**Coordination with BDF HQ
(Germany)**

2015–

Merries Brand Manager



Global Brand Management
Asia, Russia & New-Market Development

2020–

President, Kao Malaysia 
Record-High Sales During COVID-19

2023– Head of Marketing Innovation Center

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Forward-looking statements such as earnings forecasts and other projections contained in this release 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.

Agenda

1. The New Rules for Being Chosen in the AI Era

— The Gateway to Choice Is Shifting. How Is the Basis of Competition Changing? —

2. Kao's "Power to Keep Being Chosen"

— Why We Can Keep Being Chosen, Reproducibly —

3. Building the Organization That Generates This Power

— One Kao and Two Engines

— Taking Japan's Proven Winning Formula to the World —

Changes in the External Environment

Rapid Progress of Digitalization and AI Proliferation

From 2020

Covid-19 Pandemic

Rapid and forced
digitalization of a
contactless society



Digital investments for
efficiency

From 2022

After Covid-19

Corporate Digital
Transformation (DX)
Signs of the 4th AI boom



Exploratory
investments in AI

From 2024

Rapid, widespread AI

The full-fledged rise of AI
Practical use of AI
becomes established



AI investment as a
prerequisite

From 2026

Development of Agentic AI

Changes in purchasing and
consumption behavior
Business activities designed
to be discovered and chosen
by AI



AI investment for
corporate growth

Changes in Consumer Behavior - Changes in Corporate Marketing

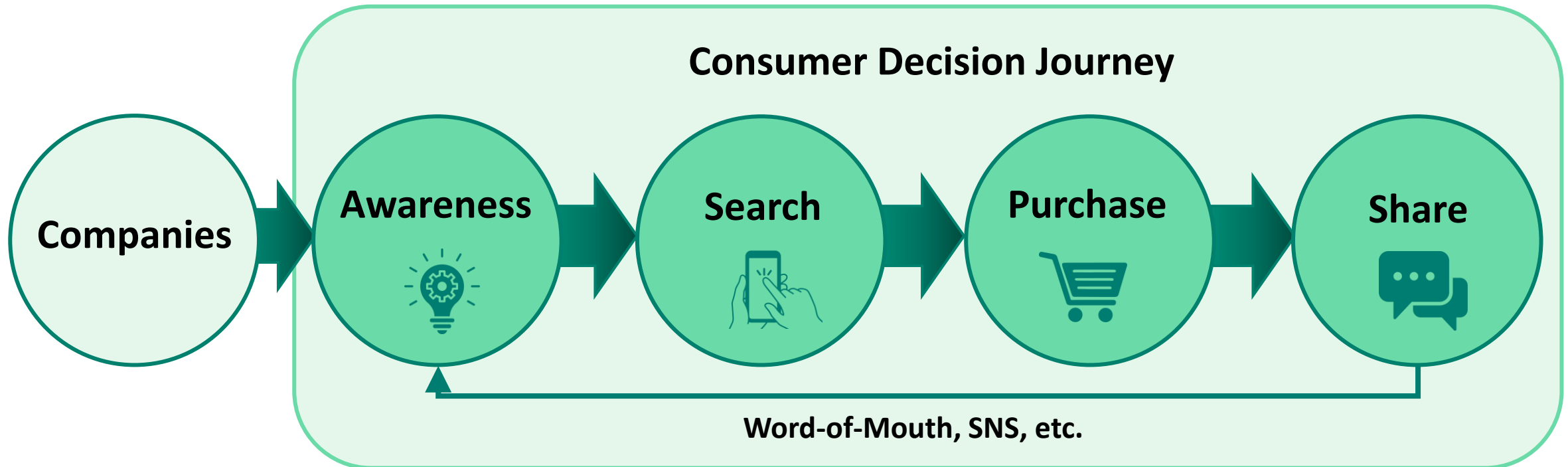
Previously (Before AI Proliferation)

Who

To consumers

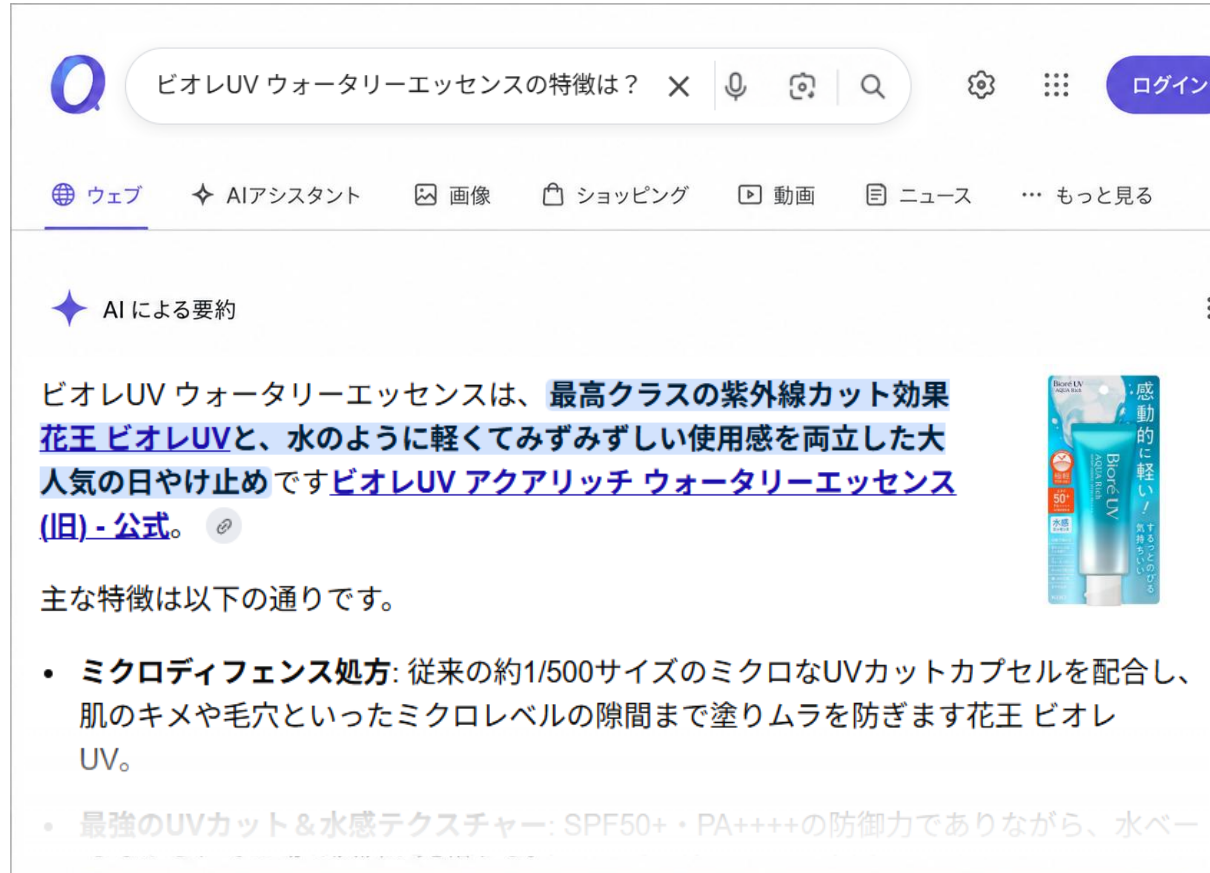
How

Delivering value and information to consumers



Changes in Consumer Behavior - The Era of AI-Driven Recommendations

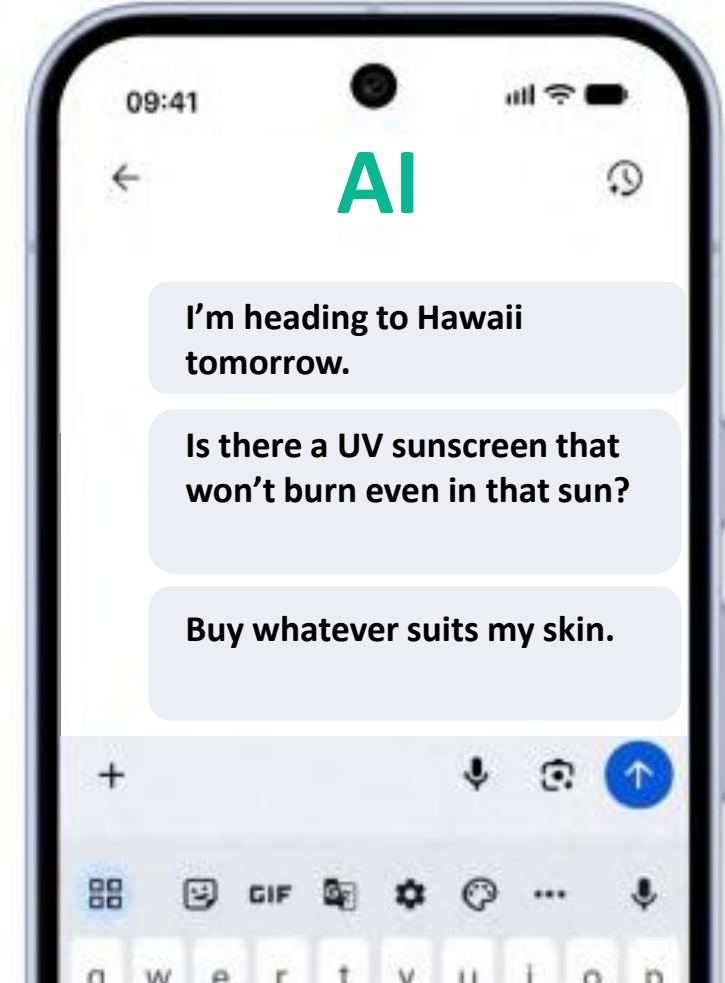
AI Recommendations



Zero-click searches account for **66.4%***

*Zero-click rate: % of searches with no visit to a linked site (Apr 2026; Source: VALUES, Inc.)

Agentic Commerce Purchase via AI agent chat



選択の入口が変わる
花王は、
エビデンスで選ばれ続ける

水に入る予定があるなら、「スーパーウォータープルーフ」または「UV耐水性★★」と表示されているものがおすすめです。

「ビオレ UV アクアリッチ ウォーターエッセンス」が最適です。

日やけによるシミ、そばかすを防ぎスーパーウォータープルーフ（80分間の耐水試験で汗・水・皮脂が落ちない）
価格は1,078円（税込）です。

AIが支援し、生活者が選ぶ
Agentic Commerceの時代



AI時代の花王の圧倒的な武器

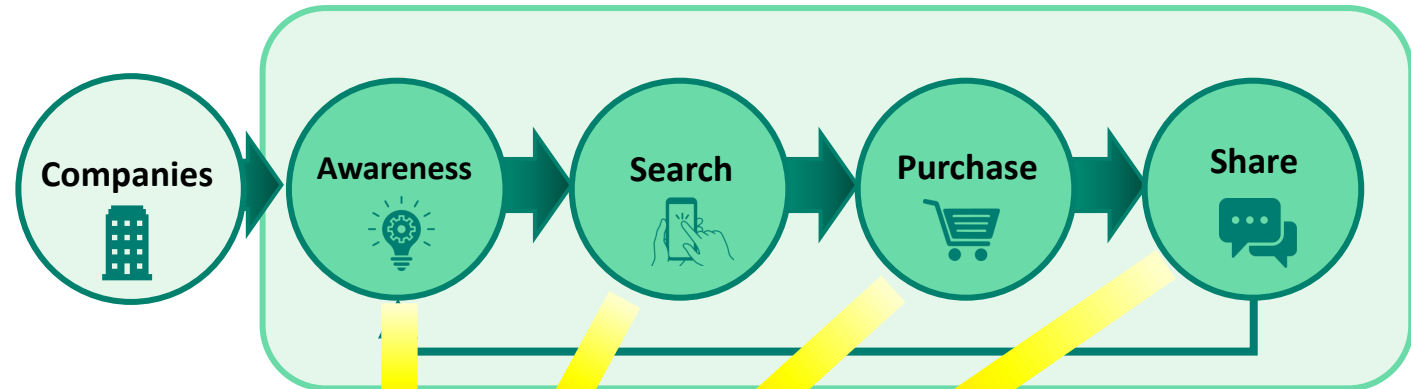
世界で選ばれ続ける力へ

Changes in Consumer Behavior - Changes in Corporate Marketing

Previously (Before AI Proliferation)

Who To consumers

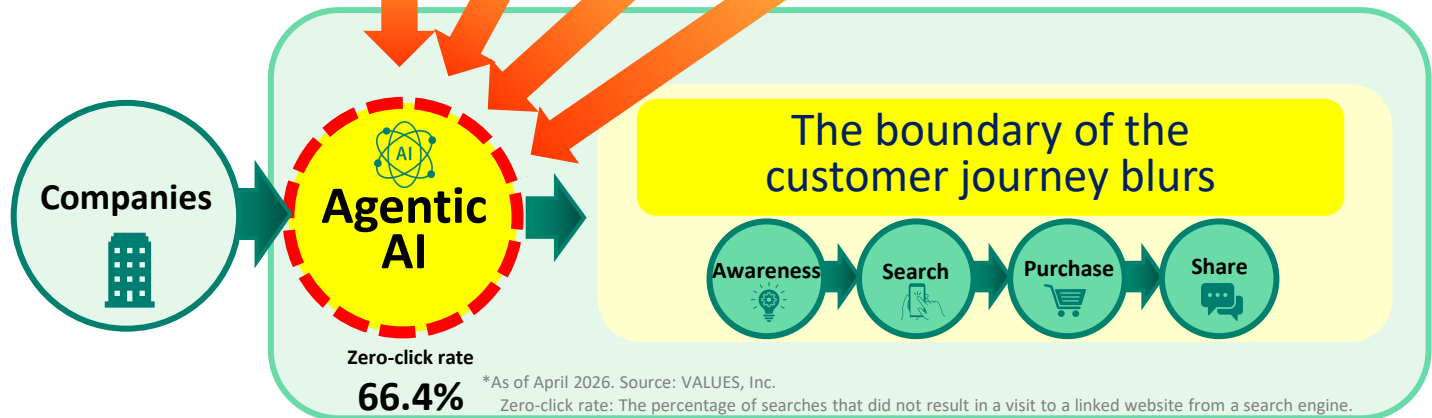
How Delivering value and information



AI Era

Who To consumers **and AI**

How Delivering value and Information — and **accumulating** it



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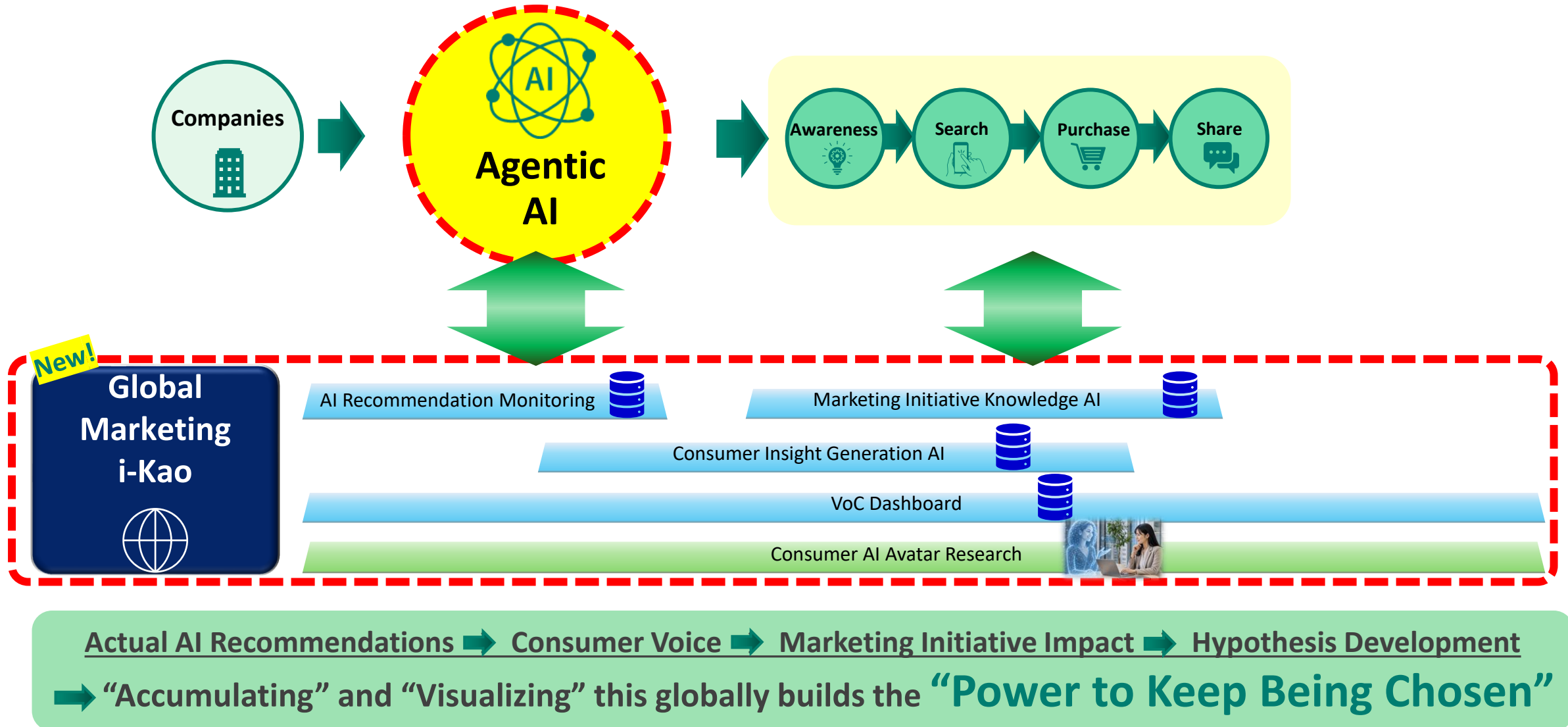
— Why We Can Keep Being Chosen, Reproducibly —

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— One Kao and Two Engines

— Taking Japan's Proven Winning Formula to the World —

Agentic AI Era: Developing “Visualization” Tools

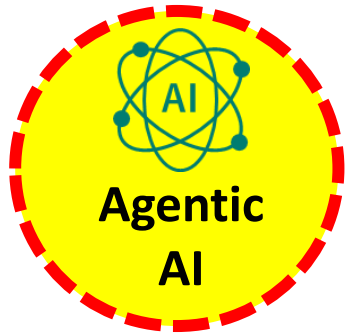


グローバル成長を加速させる、
花王の次世代AIマーケティング戦略



変化を早く捉え、
ブランドが選ばれ続ける未来へ

Agentic AI Era: The Concept of “Visualization” Tools



1. AI Recommendation / Word-of-Mouth share (penetration) is visible

2. Understand why it happened

3. Understand and act on global data from anywhere

New !

Global
Marketing
i-Kao



AI Recommendation
Monitoring



AI Recommendation Share
By Country / Brand / Context

VoC
Dashboard



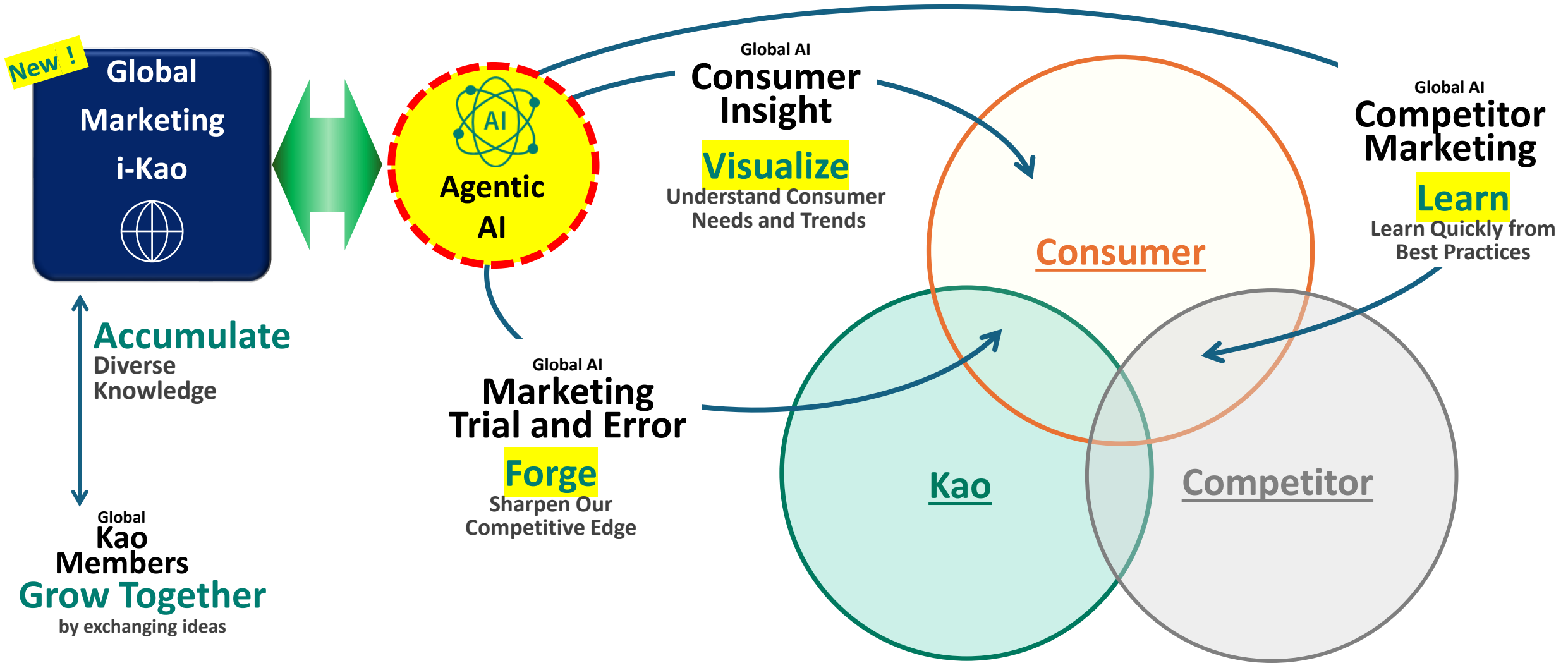
SNS Word-of-Mouth Share
By Country / Brand / Rating

Consumer AI
Avatar Research



Target Avatars for New Markets
Consumer Insight Hypotheses

AI Era: Fast, Precise Marketing



The Foundation of Kao's Marketing

“Five Principles of Product Development” and Their Essence

Five principles of product development

1. Usefulness and value to society

Does it create real value for society now, and will that value endure into the future?

2. Creativity and originality

Does the product reflect your company's unique technological creativity?

3. Performance by Cost Principle

Does it outperform competitors in cost-effectiveness?

4. Thorough market and consumer research

Whether the product has successfully passed rigorous consumer testing and screening at every stage before commercialization.

5. Comprehensive features at retailers

Does it effectively communicate product information at every stage of distribution?

The essence of the five principles

1. Social Significance

2. Exclusive Uniqueness

3. Performance by Cost (ROIC, EVA)

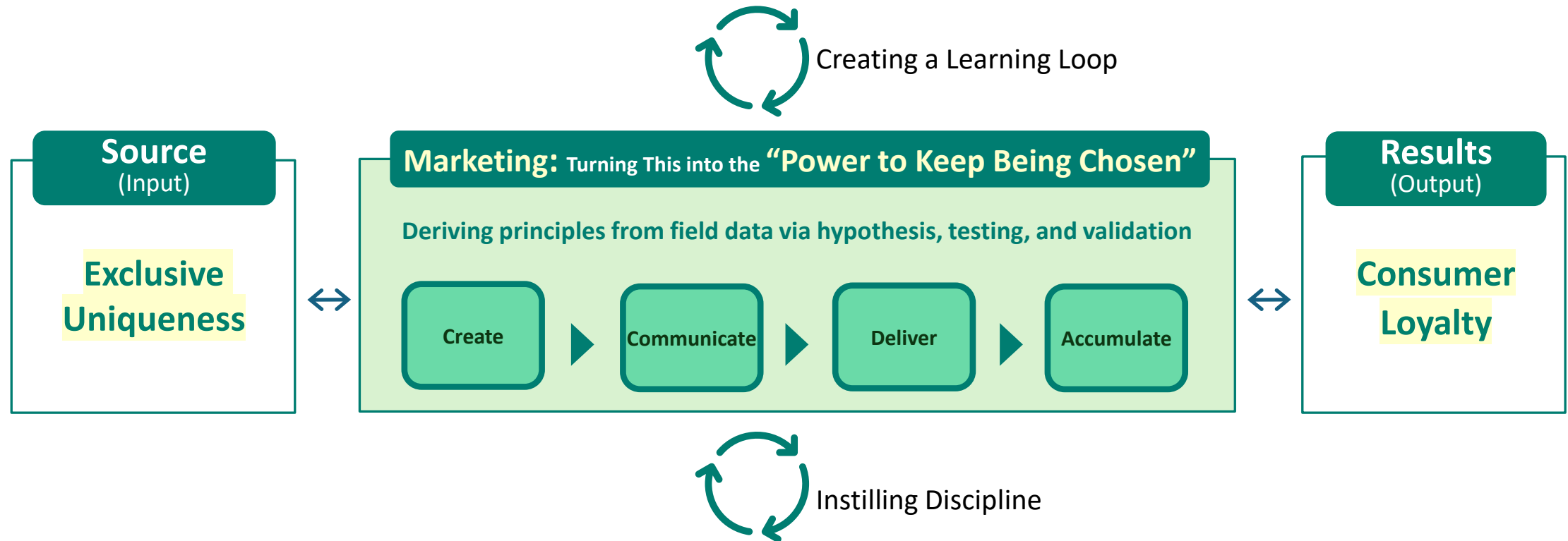
4. Consumer Quality

5. Marketing



A Framework That Creates the “Power to Keep Being Chosen” by Both Consumers and AI

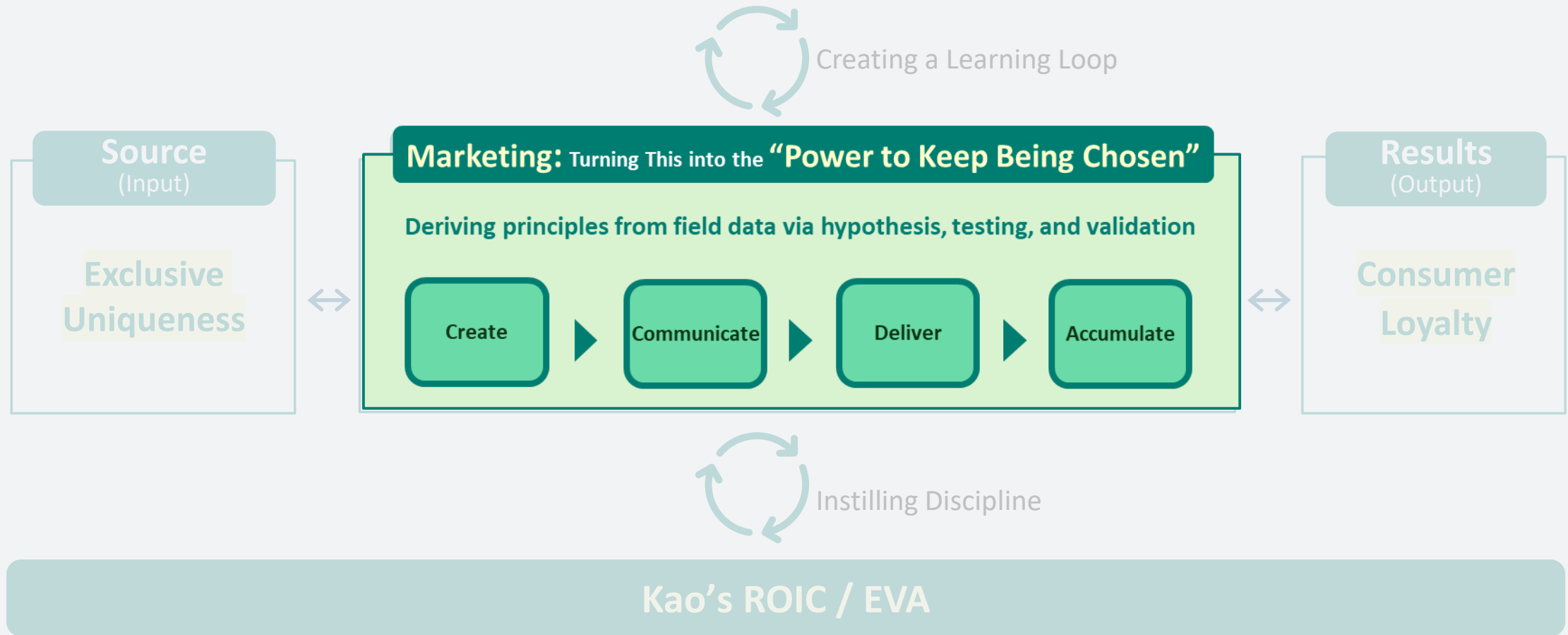
Organizational Capabilities That Enable Repeatable Success



Kao's ROIC / EVA

A Framework That Creates the “Power to Keep Being Chosen” by Both Consumers and AI

Organizational Capabilities That Enable Repeatable Success



Value with Exclusive Uniqueness

Advanced stratum corneum research and
Kao's proprietary sebum RNA research



Formulated with the five essential hair care
ingredients*1 for repair



*1 Hydrolyzed Keratin (Wool), Ceramide α (Bismethoxypropylamido Isodocosane), Malic Acid, Lanolin Fatty Acid, and Fatty Acid Glyceride α (Olive Fruit Oil).

Long-lasting, uniform UV protection film



Supports “Ceramide” function to strengthen the
skin's barrier and maintain moisture



Turning Value into the “Power to Be Chosen” — Scientific Marketing

Create : Application of highly unique technologies to products

Advanced stratum corneum research and Kao's proprietary sebum RNA research



Communicate : Evidence-based proposals that go beyond the product

Formulated with the five essential hair care ingredients*1 for repair



*1 Hydrolyzed Keratin (Wool), Ceramide α (Bismethoxypropylamido Isodocosane), Malic Acid, Lanolin Fatty Acid, and Fatty Acid Glyceride α (Olive Fruit Oil).

Deliver : Expansion into appropriate touchpoints and areas

Long-lasting, uniform UV protection film



Accumulate : Building a brand grounded in trust and a track record

Supports “Ceramide” function to strengthen the skin’s barrier and maintain moisture



Turning Value into the “Power to Be Chosen” — Scientific Marketing

Create : Application of highly unique technologies to products

Advanced stratum corneum research and Kao's proprietary sebium RNA research

Number of participants in skin analysis based on RNA research:
More than **120,000**

SOFINA (Jan–Jun 2026)



Communicate : Evidence-based proposals that go beyond the product

Formulated with the five essential hair care ingredients*1 for repair

Purchase intent: **47%**
Repurchase intent: **81%**



*1 Hydrolyzed Keratin (Wool), Ceramide α (Bismethoxypropylamido Isodocosane), Malic Acid, Lanolin Fatty Acid, and Fatty Acid Glyceride α (Olive Fruit Oil).

Deliver : Expansion into appropriate touchpoints and areas

Long-lasting, uniform UV protection film

Expanding markets through
The Lean Startup Approach
To **30+** countries and regions

Bioré UV (As of June 2026)

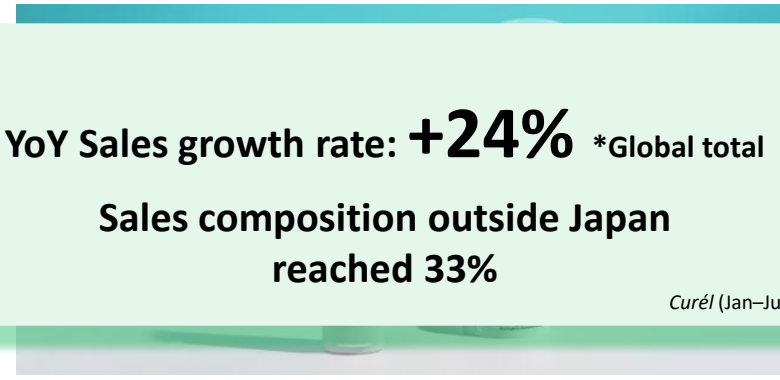


Accumulate : Building a brand grounded in trust and a track record

Supports “Ceramide” function to strengthen the skin’s barrier and maintain moisture

YoY Sales growth rate: **+24%** *Global total
Sales composition outside Japan
reached **33%**

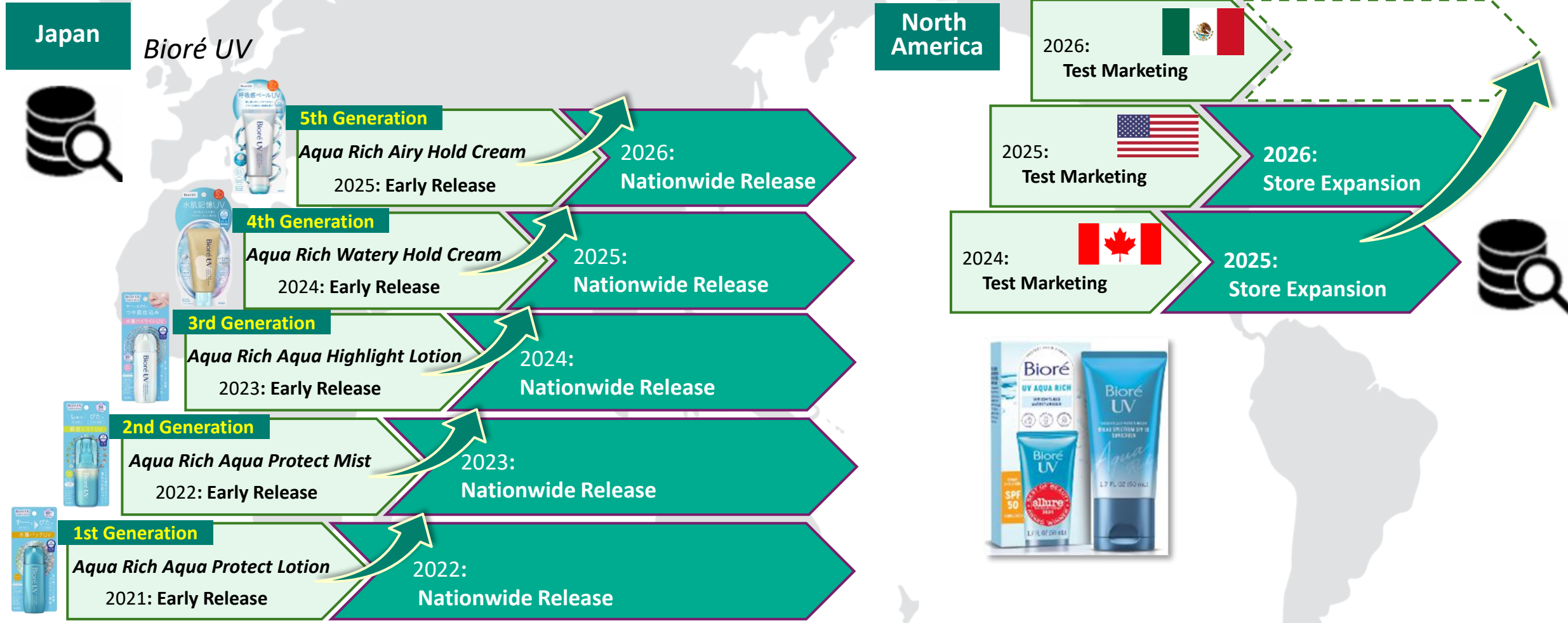
Curél (Jan–Jun 2026)



Deliver : Expansion into appropriate touchpoint and areas

Market Expansion Through the Lean Startup Approach

Leveraging data accumulation and machine learning in the digital age, we run rapid PDCA cycles through limited distribution to identify winning patterns, then scale rapidly with high-probability strategies. These learned success patterns are then rolled out to other products — marketing that grows stronger with every cycle.



Case Study: *Bioré UV* in the U.S.



Global Campaigns + Collaboration with individual Retailers
 → Driving Consistent Market Share Growth
 Particular focus on the U.S. West Coast, where there is a large Asian population

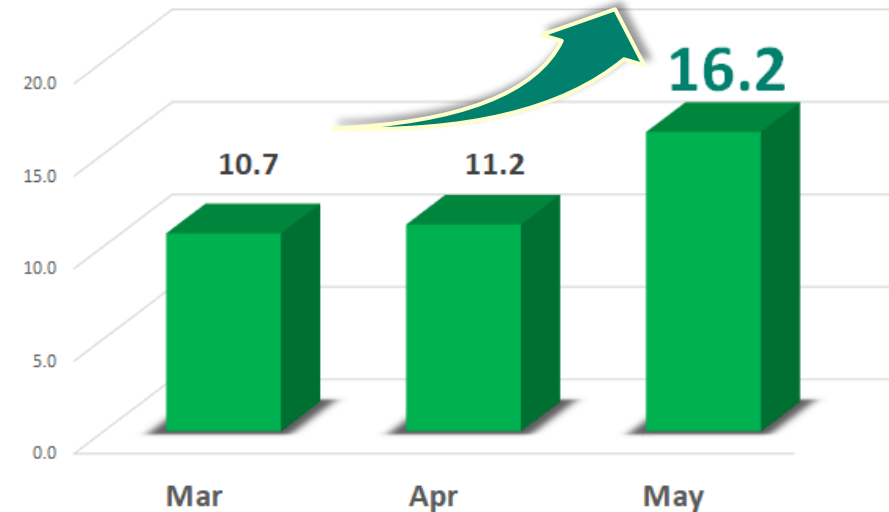
US market share (%)



	2024	2025	2026		
			Mar	Apr	May
Bioré UV	0.7	1.2	3.8	4.2	5.5
(vs Previous Year)	0.6	0.6	3.0	3.4	4.4

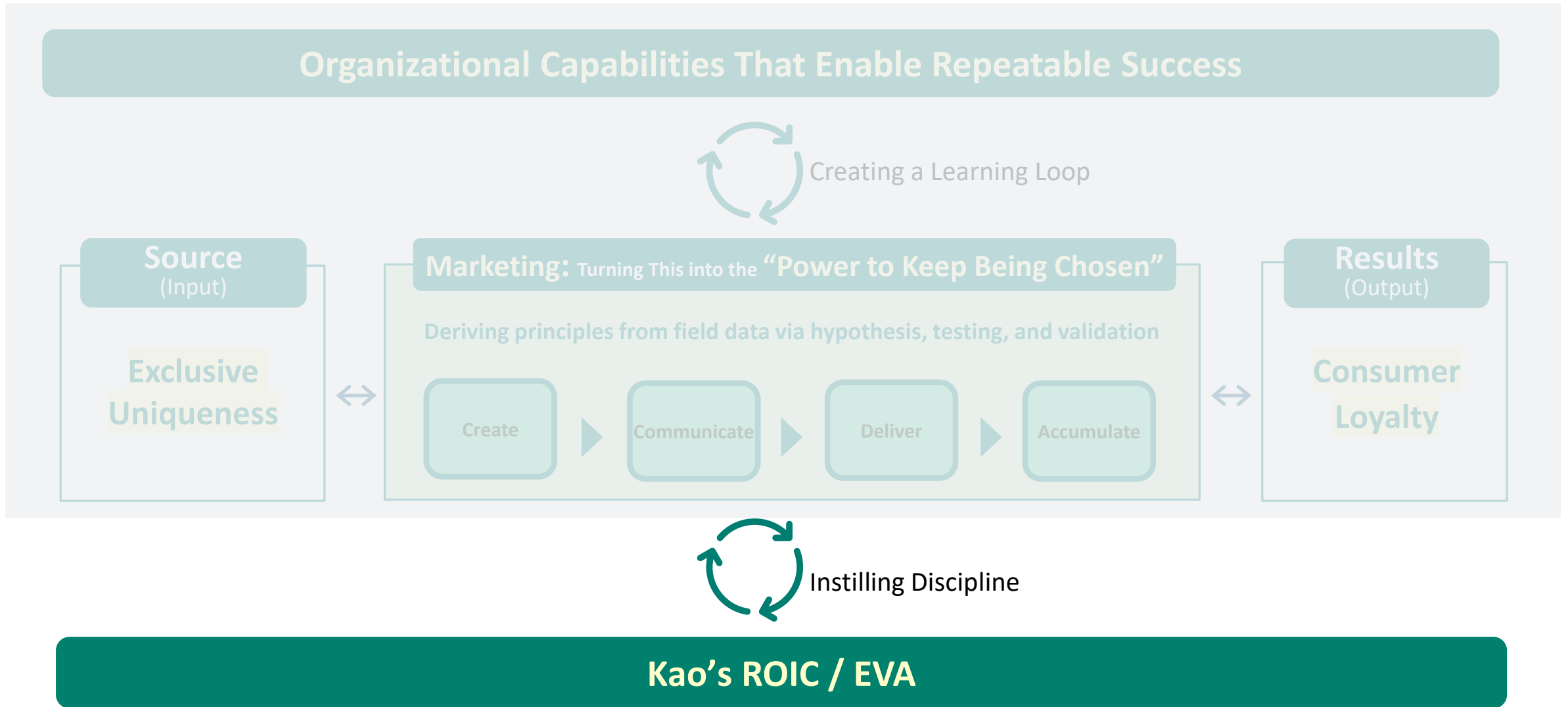
Market share in priority areas (%)

2026 Bioré UV Market Share in California



DATA: Circana US (Mulo+)
 4-Week Ending Periods
 Face Care Moisturizer with SPF market

A Framework That Creates the “Power to Keep Being Chosen” by Both Consumers and AI

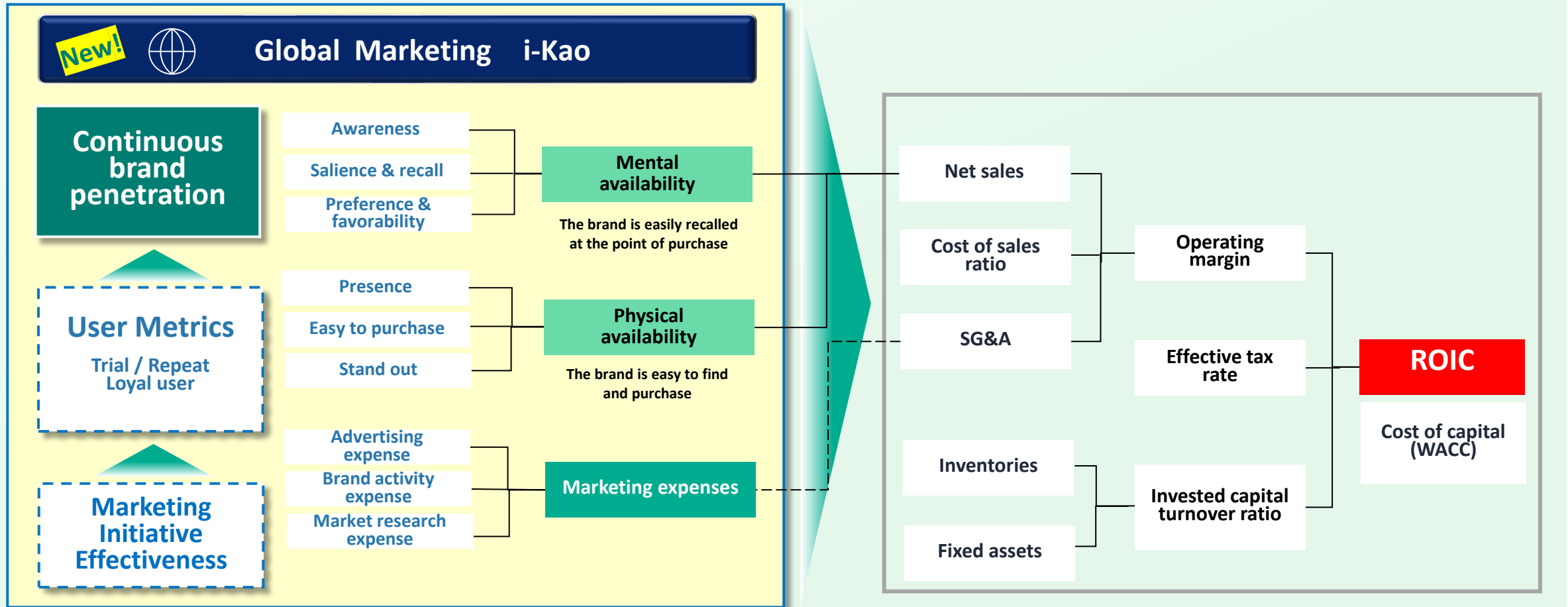


A System for Driving Growth: “Global Marketing i-Kao”

Visualizing Marketing Metrics as a Common Language to Drive Financial Performance

Marketing metrics → Visualization

Driving Growth ← Finance metrics



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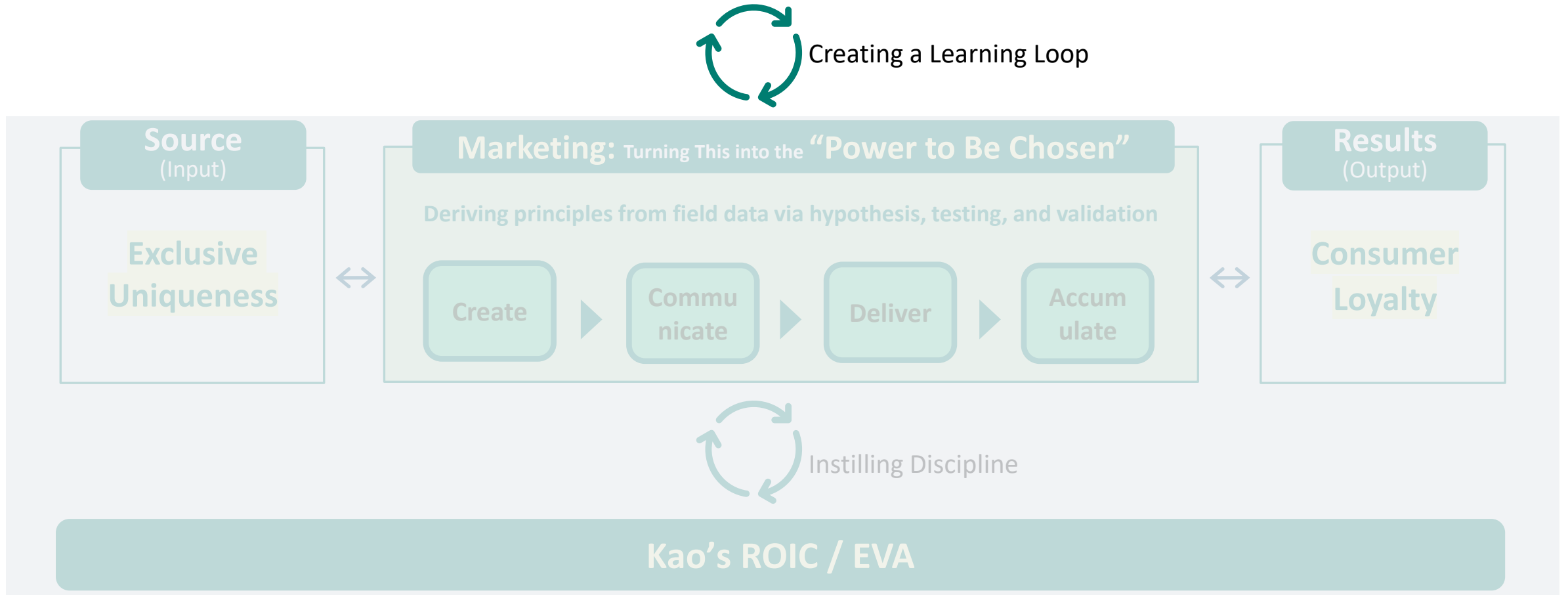
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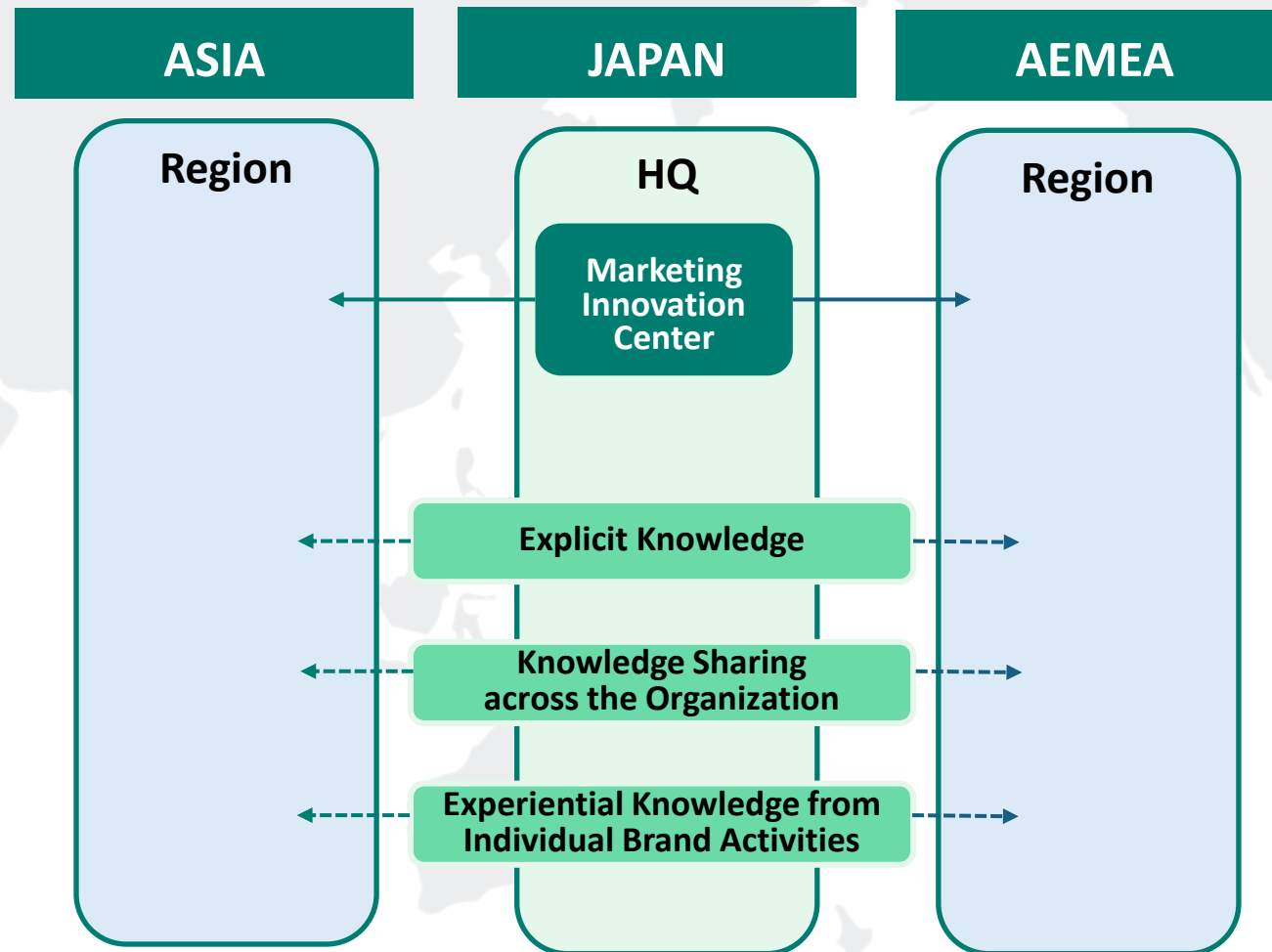
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Organizational Capabilities That Enable Repeatable Success



Conventional Marketing Operating Model

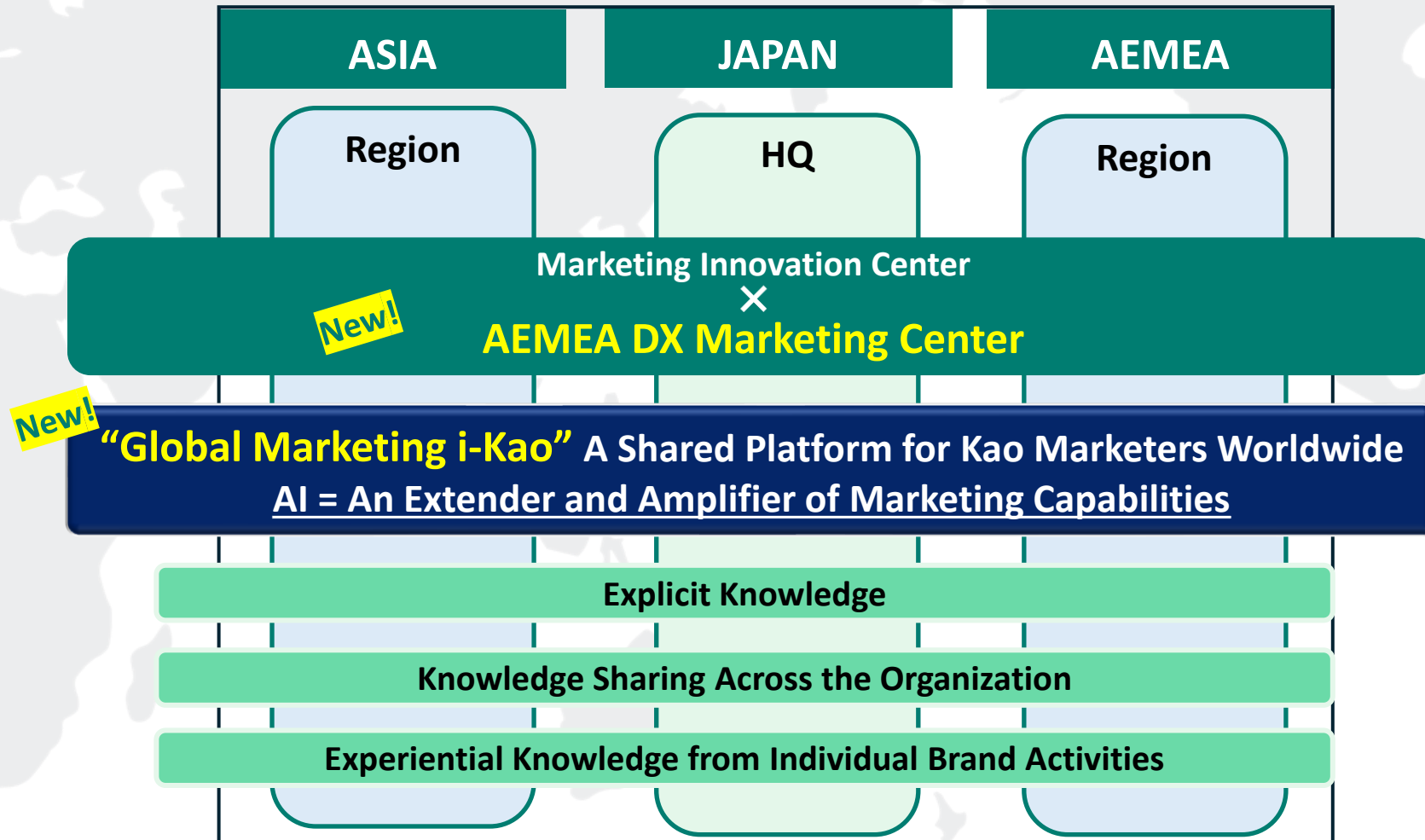
Regionally Optimized Business and Brand Management,
with Collaboration Dependent on Individuals



AEMEA: Asia, Europe, Middle East and Africa

From 2026 Onwards — One Kao Approach

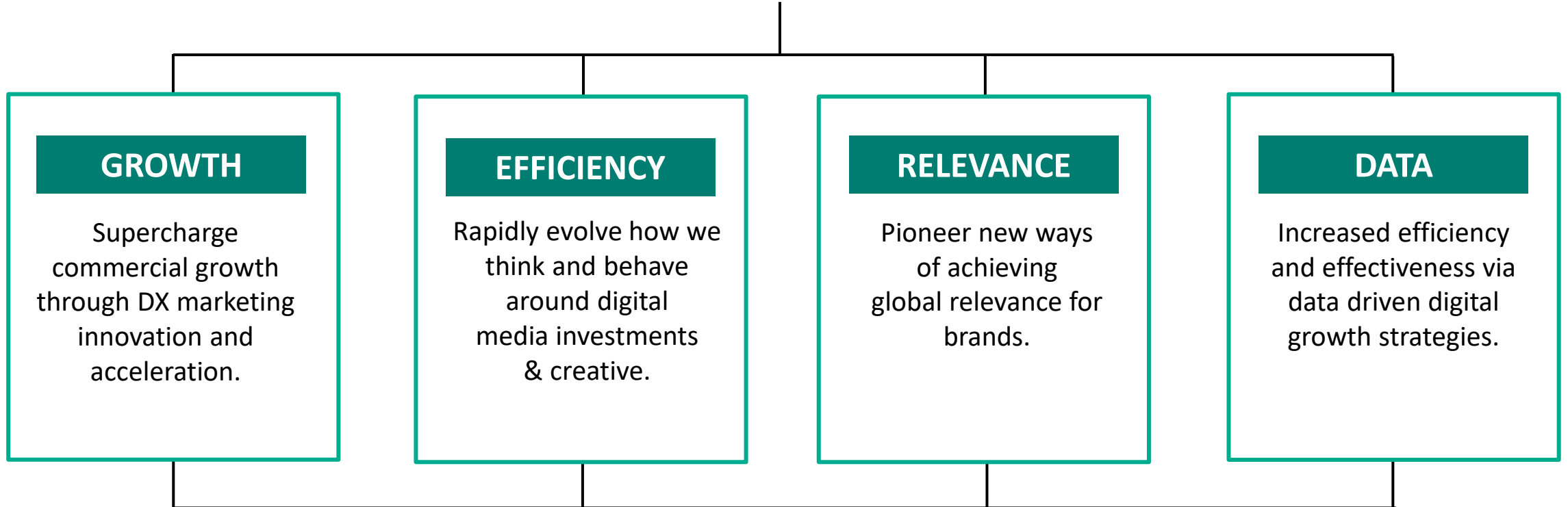
Expanding HQ Capabilities and Expertise Globally.
Enhancing Collaboration, Speed, and Efficiency





The Mission

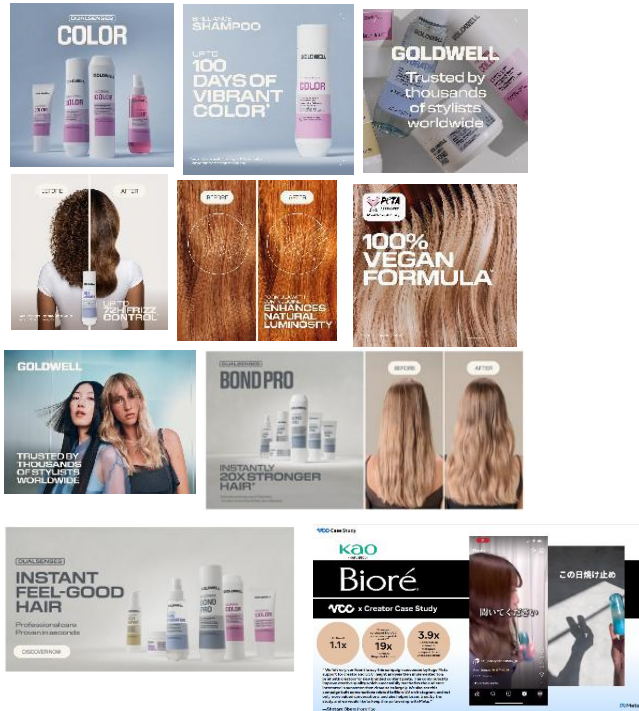
One Kao: unite AEMEA with Kao's global growth mission



AI powered, data driven, ROI DX marketing culture

Projects H1 2026

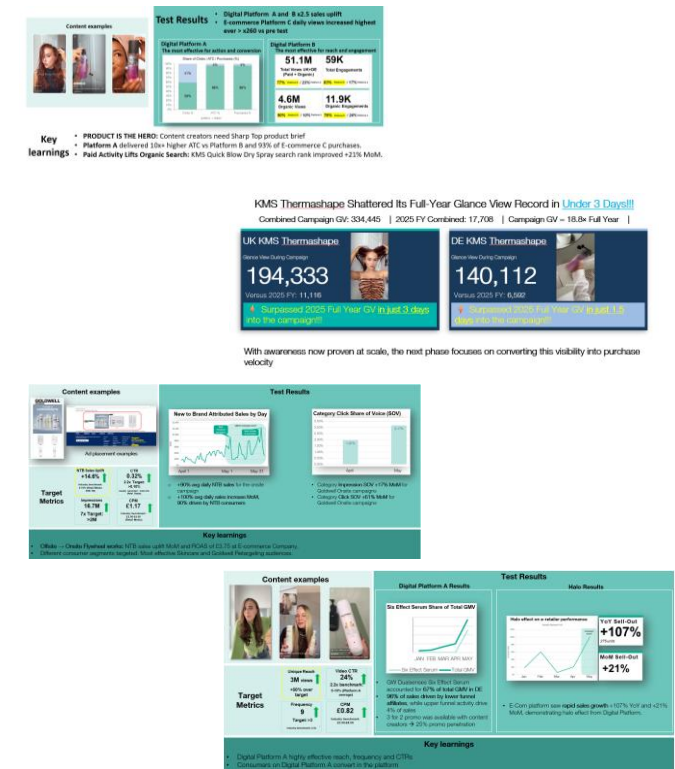
AI powered content at scale



Agentic ready brand content



Real-time data analysis & investment optimisation



Campaigns on Leading Global Digital Platforms Driving Traffic to a Leading E-Commerce Platform for *KMS THERMASHAPE*

Content examples



Test

- Digital Platform A and B x2.5 sales uplift

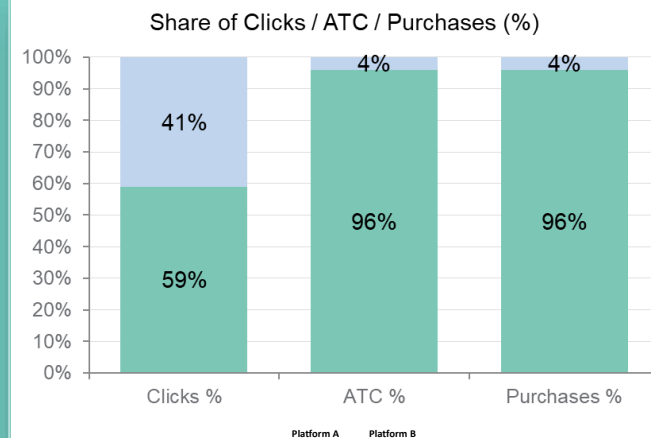
Results

- E-commerce Platform C daily views increased highest ever > x260 vs pre test



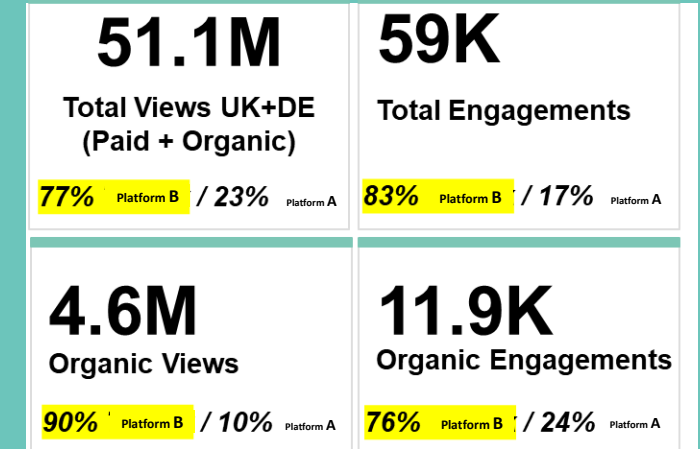
Digital Platform A

The most effective for action and conversion



Digital Platform B

The most effective for reach and engagement

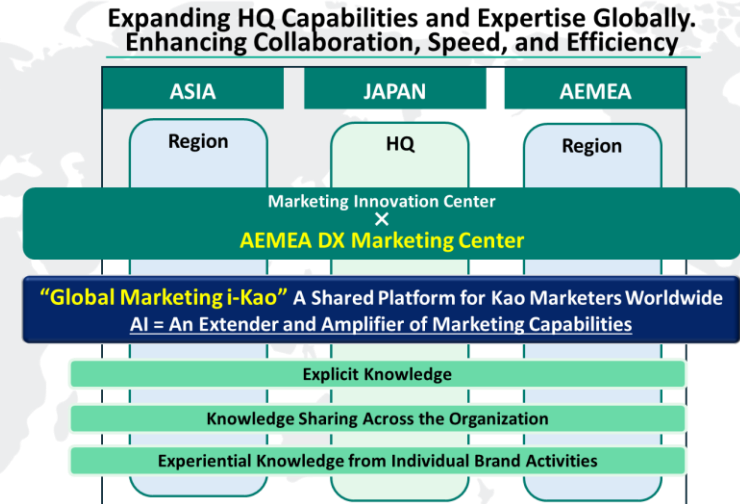


Key learnings

- **PRODUCT IS THE HERO:** Content creators need *Sharp Top* product brief.
- **Platform A** delivered 10x+ higher ATC vs Platform B and 93% of E-commerce purchases.
- **Paid Activity Lifts Organic Search:** KMS Quick Blow Dry Spray search rank improved +21% MoM.

A Consolidated One Kao approach

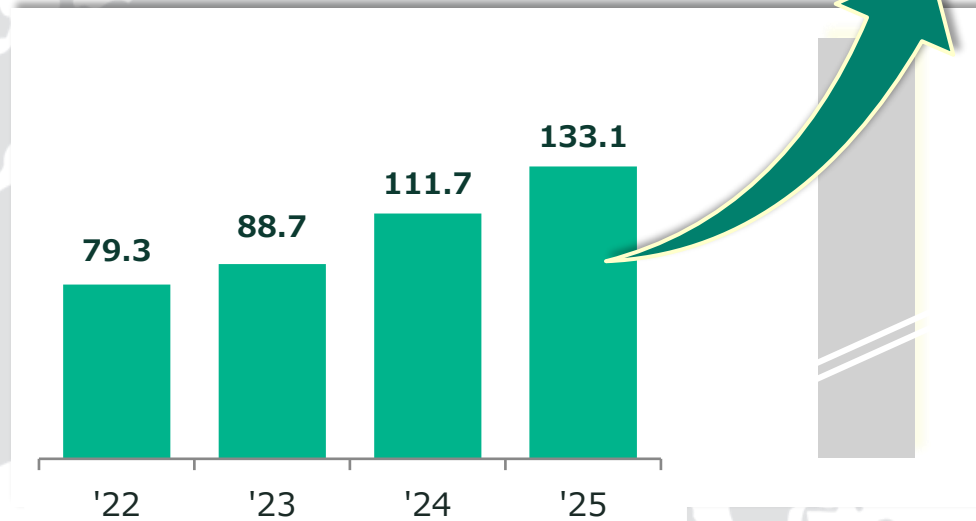
Close collaboration with Kao HQ
to prioritise global acceleration of
Kao power brands



- Catalyst for discontinuous growth
- Focus on strategic partnerships and platforms to accelerate progress
- AI at the heart of the transformation

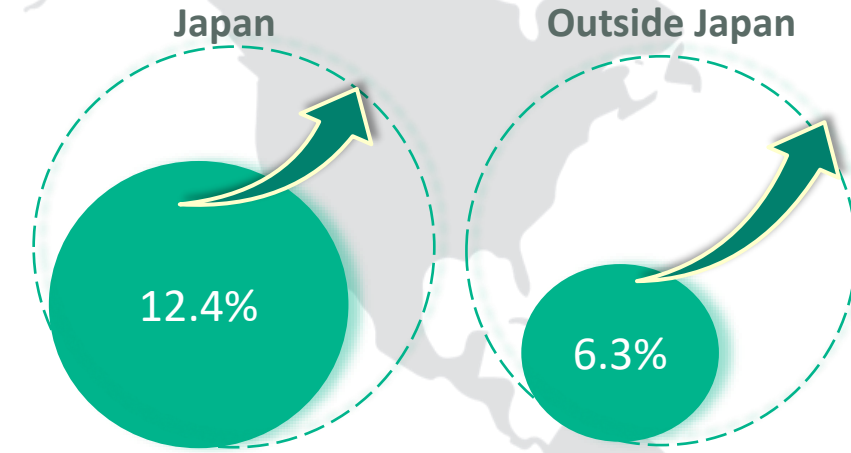
Finally — Accelerating the Slope of Global Growth with Two Engines

● GC Business Operating Profit (¥bn) Step-Change Growth into a Global Player



● GC Business Operating Margin (%) (2025)

Outside Japan Margin: Toward Japan Levels



Gap Between Japan and Outside Japan Total **Approx. 6.1 pts**

Room to Bring Outside Japan Profitability Closer to Japan's Structure
= Our Biggest Profit Driver

New!

Global Marketing i-Kao



New!

AEMEA DX Marketing Center

Bringing the Power to Keep Being Chosen, to the World

Kao

きれいを こころに 未来に