

External Evaluation

SRI Index and Evaluation (As of March 26, 2019)

SRI Index

Companies highly evaluated not only in financial terms but also in environmental and social terms are recognized as companies with prospects for long-term sustainable growth, and are given importance by a wide range of investors. Kao has been included in the following leading indexes in recognition of having this credibility globally.

 <p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p>	 <p>FTSE4Good</p>	 <p>FTSE Blossom Japan</p>	 <p>included in EY INDEX SUSTAINABILITY INDEX EXCELLENCE Global</p>
 <p>2018 Constituent MSCI ESG Leaders Indexes</p>	 <p>2018 Constituent MSCI Japan ESG Select Leaders Index</p>	 <p>2018 Constituent MSCI Japan Empowering Women Index (WIN)</p>	 <p>2019 Bloomberg Gender-Equality Index</p>
 <p>EURONEXT vigeoEiris INDICES WORLD 120</p>	 <p>ECPI Sense in sustainability</p>	 <p>S&P/JPX カーボン エフィシエント 指数</p>	 <p>TOP 100 COMPANY 2018 Thomson Reuters Diversity & Inclusion Index</p>

The FTSE4Good index series <http://www.ftse.com/products/indices/FTSE4Good> MSCI <https://www.msci.com/esg-integration>

Evaluation

 <p>CDP A LIST 2018 WATER SECURITY</p>	 <p>CDP SUPPLIER ENGAGEMENT LEADER 2019</p>	 <p>Most Sustainable Corporations In The World GLOBAL100</p>	 <p>2019 WORLD'S MOST ETHICAL COMPANIES WWW.ETHISPHERE.COM</p>	
 <p>2019 健康経営銘柄 Health and Productivity</p>	 <p>2019 健康経営優良法人 Health and productivity ホワイト500</p>	 <p>DIVERSITY MANAGEMENT SELECTION 2013 100</p>	 <p>NADE SHIKO 2019</p>	
 <p>DBJ健康格付 2016</p>	 <p>SPORTS YELL COMPANY</p>	 <p>プラチナアワード 環境でサポートしています</p>	 <p>Corporate Responsibility Prime rated by oekom research</p>	 <p>消費者 志向経営 Award 2018</p>

Editorial Policy

From the Editor

From FY2017, we have published the Integrated Report. This report is the third publication.

This report summarizes financial and non-financial information, including on business activities and strategy, business performance, and the corporate governance structure, with the aim of communicating our vision for sustained growth to a wide range of stakeholders including share holders and investors.

Based on the values of the Kao Way that have been passed down since our founding, we will define the Kao strengths born from these values and the value creation process, and have aimed to communicate our mid- to long-term strategy and value creation story taking a broad view of our entire business.

We participate as a member of the Forum for Integrated Corporate Disclosure and ESG Dialogue sponsored by the Japanese Ministry of

Economy, Trade and Industry (METI) as a venue to promote dialogue with investors who rate companies' overall information disclosure and corporate evaluations, and have created this report also in consideration of METI's Guidance for Collaborative Value Creation.

We will strive to further enhance the Integrated Report so that it serves as a tool for dialogue with all of our stakeholders, including stockholders and investors, and will strive to release information in ways that are easy to understand to further deepen understanding of our business.

Junya Kumazawa

Corporate Business Planning and Coordination
Corporate Strategy



Disclaimer on Forward-looking Statements

Forward-looking statements such as earnings forecasts and other projections contained in this report are based on information available at the time of publication, and on assumptions that management believes to be reasonable. These statements are not guarantees that Kao will achieve its targets. Actual results may differ materially from Kao's expectations due to various factors.

Scope of This Report

In principle, this report covers the activities of the Kao Group (Kao Corporation and its subsidiaries and affiliates). However, environmental and social data covers only Kao Corporation and its subsidiaries. In the event that the data does not apply to the Kao Group, the scope of such data is specified accordingly. "Kao" refers to the Kao Group within this report. In cases where it is necessary to specify the scope of reporting, this report lists the applicable institution individually.

Reporting Period

FY2018 (from January 1, 2018 to December 31, 2018). However, certain sections of this report include information on activities from periods prior to FY2017 as well as on expected activities from FY2019 and onward. Also, this report covers periods outside of the reporting period in cases where it is appropriate to provide past details and data or recent examples.

Introduction of Various Informative Tools

Corporate Website	www.kao.com/global/en/
Investor Relations	www.kao.com/global/en/investor-relations/
Sustainability	www.kao.com/global/en/sustainability/
Report Concerning Corporate Governance	www.kao.com/content/dam/sites/kao/www-kao-com/global/en/about/pdf/governance_001.pdf
Financial Report	https://www.kao.com/global/en/investor-relations/library/financial-report/