



1-14-10, Nihonbashi Kayabacho, Chuo-ku, TOKYO 103-8210 JAPAN

March 5, 2026

NOTICE OF THE 120th ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Our Shareholders:

Kao Corporation (the “Company”) is pleased to announce that the 120th Annual General Meeting of Shareholders of the Company (“AGM”) will be held on March 26, 2026 at 10:00 a.m., Japan time, at Kao Sumida Office, (2-1-3 Bunka, Sumida-ku, Tokyo, Japan).

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

- 1. Proposal for Appropriation of Retained Earnings**
- 2. Election of nine (9) Directors**
- 3. Election of one (1) Audit & Supervisory Board Member**
- 4. Partial Revision of the Terms and Conditions of Performance Shares, etc. for Directors, etc.**
- 5. Revision of Directors’ Remuneration**

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

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 AGM, the Company has retained Georgeson as our Global Information Agent to assist us with the AGM. If you have any questions, please contact Cheryl Tirol at +001-201-222-4375 or cheryl.tirol@georgeson.com, or Michael Menahem at +001-201-222-4374 or michael.menahem@georgeson.com. The attached materials are 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

Message from the CEO

On behalf of the company, I would like to express my sincerest gratitude for your continued support.

We are pleased to announce the 120th Annual General Meeting of Shareholders, which will be held on March 26, 2026.

In 2025, while uncertainties continued due to geopolitical risks and fluctuations in the financial environment, the year also saw positive developments such as a recovery in demand across regions and progress in technological innovation. In Japan as well, although factors such as price trends and foreign exchange movements remain areas to be closely monitored, economic activity as a whole has been on a gradual recovery trend. In addition, initiatives aimed at realizing a sustainable society, including decarbonization and environmental conservation, have become increasingly important on a global scale.

Against this backdrop, the Kao Group has been advancing the reconstruction of its management foundation centered on structural reforms, promoting the selection and concentration of businesses, management that emphasizes capital efficiency with a focus on ROIC, and organizational reforms with a global perspective. These initiatives have steadily produced results, placing business performance on a more solid recovery trajectory. In light of this business performance, we propose a year-end dividend of 77.00 yen per share for FY2025. With the interim dividend already paid, the total dividend for this fiscal year will be 154.00 yen per share, representing an increase of 2.00 yen over the previous fiscal year and marking our 36th consecutive period of dividend increases.

The Kao Group aims to realize a *Kirei*^{*1} World in which all life lives in harmony. We strive to be an integral part of a sustainable society, committed to protecting future lives and fostering connections between people, the earth, and society, as well as enhancing vibrant relationships among individuals.

During the current fiscal year, under the Mid-term Plan “K27,” we have focused on strengthening a growth foundation that combines profitability and competitiveness by emphasizing growth in “quality” rather than “quantity.” We have defined business domains in line with our strategies, and have balanced marketing and research and development investments. Through these efforts, we have worked to expand market share while improving profitability, enhancing the competitive edge of our core brands.

In addition, to ensure future growth, we are further strengthening value creation rooted in Kao’s unique technologies. Building on our precision interfacial control technology refined over many years, we are striving to achieve both high perceived quality and reduced environmental impact. At the same time, through scientific marketing that deepens consumer understanding and the utilization of DX in the AI era, we are enhancing the quality and speed of decision-making and connecting these efforts to the creation of new value.

Furthermore, through continuous investment in human capital and our organizational scrum-style management, the quality and speed of Kao’s “*Yoki-Monozukuri*”^{*2} have steadily improved, giving us a clear sense of progress toward the achievement of K27. However, our journey do not end here. K27 is a milestone, and we will continue to take on challenges toward further growth beyond it.

In order to remain an indispensable company in the world, we will continue to bring together the diverse strengths of Kao Group employees and utilize all of our resources to create a future that goes beyond expectations.

Once again, I would like to express my gratitude for the continuous support and encouragement from our shareholders.

^{*1} The Japanese word *kirei* describes something that is clean, well-ordered, and beautiful all at once. For Kao, this concept of *Kirei* not only describes appearance, but also attitude—a desire to create beauty for oneself, for other people, and for the natural world around us. At Kao, *Kirei* is the value we want to bring to everyday life through our brands, products, technologies, solutions, and services—now and in the future.

^{*2} The Kao Group passionately embraces the concept of *Yoki-Monozukuri*, which embodies a collective commitment from all members to deliver exceptional products and brands that ensure unparalleled consumer satisfaction. In Japanese, “*Yoki*” signifies “good” or “excellent,” while “*Monozukuri*” embodies the mastery of product development and manufacturing.



Yoshihiro Hasebe
Representative Director
President and Chief Executive Officer

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 120th Annual General Meeting of Shareholders of the Company (the “AGM”) to be held on March 26, 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 December 31, 2025 (the “Record Date”).

All Shareholders have valid voting rights and are entitled to vote at the AGM. In order to properly transact business at the AGM, Shareholders holding more than one third of all the voting rights as of the Record Date must be present either in person or be represented by proxy at the AGM.

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

PROPOSAL 1: PROPOSAL FOR APPROPRIATION OF RETAINED EARNINGS

In order to achieve profitable growth, the Company secures an internal reserve for capital investment and acquisitions from a medium-to-long-term management perspective and places priority on providing shareholders with steady and continuous dividends. In addition, the Company flexibly considers the repurchase and retirement of shares from the standpoint of improving capital efficiency.

The following distribution of year-end retained earnings is proposed:

(1) Matters concerning Assets to be Distributed to Shareholders and Aggregate Amount thereof

77.00 yen per share of common shares of the Company

Aggregate amount of distribution: 34,926,531,717 yen

(2) Effective Date of Distribution of Retained Earnings

March 27, 2026

If this proposal is adopted without any amendment, then, by adding the interim dividends of **77.00 yen per share** to the above year-end dividends of **77.00 yen per share**, the total dividends for this fiscal year will be **154.00 yen per share**, an increase of 2.00 yen per share over the previous fiscal year, representing a consolidated payout ratio of 59.2 %.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 1.

PROPOSAL 2: ELECTION OF NINE (9) DIRECTORS

The current nine (9) directors will all complete their terms upon the conclusion of this General Meeting of Shareholders. As a result, we seek approval for the election of nine directors, comprising four inside directors and five outside directors. The director candidates are listed below. If the candidates are elected as proposed, all five outside directors will qualify as independent outside directors under the Standards for Independence of Outside Directors/Audit & Supervisory Board Members of Kao Corporation. As a result, independent outside directors will constitute a majority of the Board. We believe that all candidates possess the necessary experience, expertise, and qualities required to fulfill their roles.

The Standards for Independence of Outside Directors/Audit & Supervisory Board Members of Kao Corporation can be found at the following link:

www.kao.com/content/dam/sites/kao/www-kao-com/global/en/about/pdf/governance_002.pdf

No.	Names of Nominees		Status at the Company and Other Material Position(s) Held	Board Tenure	Attendance Rate
1.	Yoshihiro Hasebe	Re-nomination	Representative Director, President and Chief Executive Officer; [Other material position(s) held] Chairperson, The Kao Foundation for Arts and Sciences	10 years	100% (15/15)
2.	Masakazu Negoro	Re-nomination	Representative Director, Senior Managing Executive Officer; Responsible for Management Finance Unit	3 years	100% (15/15)
3.	Toru Nishiguchi	Re-nomination	Representative Director, Senior Managing Executive Officer; Responsible for Global Consumer Care Business, Global	3 years	100% (15/15)
4.	Lisa MacCallum	Re-nomination	Director Corporate Executive Fellow (Responsible for Corporate Branding) [Other material position(s) held] Founder and President, Inspired Companies Pty Ltd.; Non-Executive Director, Adani Energy Solutions Limited;	1 year	100% (12/12)
5.	Eriko Sakurai	Re-nomination; Outside Director; Independent Director	Director [Other material position(s) held] Outside Director, Astellas Pharma Inc.;; Outside Director, Hitachi, Ltd.	4 years	100% (15/15)
6.	Takaaki Nishii	Re-nomination; Outside Director; Independent Director	Director [Other material position(s) held] Outside Director, Daiichi Sankyo Company, Limited	3 years	100% (15/15)
7.	Makoto Takashima	Re-nomination; Outside Director; Independent Director	Director [Other material position(s) held] Chairman of the Board, Director, Sumitomo Mitsui Financial Group, Inc.	2 years	100% (15/15)
8.	Sarah L. Casanova	Re-nomination; Outside Director; Independent Director	Director [Other material position(s) held] External Director, Mitsui & Co., Ltd.;; Outside Director, Yamaha Motor Co., Ltd.	1 year	100% (12/12)
9.	Shinji Okuyama	New Nominee; Outside Director; Independent Director	[Other material position(s) held] Representative, Google Japan G.K.	-	-

Note: A total of 15 meetings of the Board of Directors were held from January 2025 to December 2025, and 12 meetings of the Board of Directors have been held since the appointment of both Director Ms. Lisa MacCallum and Director Ms. Sarah L. Casanova.

1. Yoshihiro Hasebe (Date of Birth: July 30, 1960)

Re-nomination



Attendance to the Meetings of the Board of Directors:
15/15 (100%)

Number of the Company shares owned:
20,500 shares

Term of office at the conclusion of this AGM:
10 years

[Career summary, status and duties at the Company]

April 1990	Joined the Company
July 2003	Head of Laboratory 4, Research and Development - Performance Chemicals Research
March 2008	Head of Laboratory 1, Household Products Research, Research and Development -Fabric & Home Care Research
March 2011	Vice President, Research and Development - Beauty Research - Hair Beauty Research
January 2014	Vice President, Research and Development - Core Technology
March 2014	Executive Officer; Vice President, Research and Development, Global
March 2015	Senior Vice President, Research and Development, Global
January 2016	Managing Executive Officer
March 2016	Director
January 2018	Senior Managing Executive Officer; Responsible for Corporate Functions, Global
April 2018	Senior Vice President, Strategic Innovative Technology
March 2019	Representative Director (current)
January 2021	President and Chief Executive Officer (current)
January 2023	Responsible for DX Strategy

[Other material position(s) held]

Chairperson, The Kao Foundation for Arts and Sciences

[Reason for nomination as a candidate for Director]

Mr. Hasebe has for many years been integral to driving Kao's "Yoki-Monozukuri"^{*1} philosophy to deliver innovative products that contribute to a harmonious and prosperous world through a focus on research and development. He has also served as the head of the Strategic Innovative Technology office, leading strategic digital transformation initiatives.

He assumed the role of President and CEO in January 2021, and in 2023, he was instrumental in the formulation and launch of the K27 mid-term management plan which included the implementation of structural reforms aiming to establish Global Sharp Top^{*2} businesses. Since then, he has been vigorously driving the Global Sharp Top Strategy in both talent and business domains, ensuring steady progress on K27 to enhance corporate value. In 2025, he strengthened the foundation for global expansion by enhancing the competitiveness of our domestic consumer care business and advancing its profitability. We have determined that Mr. Hasebe's leadership, along with his extensive experience and expertise, will further contribute to enhancing Kao Group's corporate value by strengthening the Board's strategic planning, decision-making, and oversight. Therefore, we are nominating him for reappointment as a director.

**1 The Kao Group defines Yoki-Monozukuri as a strong commitment by all members to provide products and brands of excellent value for consumer satisfaction. In Japanese, Yoki literally means "good/excellent," and Monozukuri means development/manufacturing of products."*

**2 Global Sharp Top: Contributing as global No.1 to addressing the critical needs of customers with leading-edge solutions*

2. Masakazu Negoro (Date of Birth: January 7, 1960)

Re-nomination



[Career summary, status and duties at the Company]

April 1983	Joined the Company
March 1999	Business Manager, Oleo & Specialties, Kao Specialties Americas LLC
July 2003	Vice President, Oleo & Specialties, Kao Specialties Americas LLC
July 2005	Senior Manager, Business Planning, Chemical Business
July 2006	Vice President, Sales, Oleo Chemical Business, Chemical Business
April 2007	Vice President, Sales and Planning, Oleo Chemical Business, Chemical Business
July 2009	President, Oleo Chemical Business, Chemical Business
March 2013	Executive Officer; President, Chemical Division Unit; Chairperson of the Board of Directors, Pilipinas Kao, Inc.; Chairperson of the Board of Directors, Fatty Chemical (Malaysia) Sdn. Bhd.; Chairperson of the Board, Kao Chemicals Europe, S.L.
January 2019	Managing Executive Officer; Senior Vice President, Procurement, Global
January 2021	Responsible for Accounting and Finance
January 2022	Responsible for Management Strategy; Global;
January 2023	Senior Managing Executive Officer (current); Responsible for Management Finance (Accounting and Finance, Business Structure Reforms, Procurement, Human Capital Strategy)
March 2023	Representative Director (current)
January 2025	Responsible for Management Finance Unit (current)

Attendance to the Meetings of the Board of Directors:

15/15 (100%)

Number of the Company shares owned:

14,500 shares

Term of office at the conclusion of this AGM:

3 years

[Reason for nomination as a candidate for Director]

Mr. Negoro has for many years been involved in the Chemical Business, which comprises the two key pillars of the Kao Group together with the Global Consumer Care Business, and has contributed to the global expansion of the Chemical Business.

In January 2019, he was appointed Head of the Procurement Division, where he promoted initiatives in accordance with Kao's Policies for Procurement. His efforts also focused on addressing social issues such as resource conservation, environmental protection, safety, and human rights.

Additionally, as an executive officer in charge of management finance, he has led the introduction of business-specific ROIC (Return on Invested Capital) to enhance portfolio management and advance Kao's Economic Value Added (EVA*) approach since 2023. He has also driven structural reforms essential for achieving K27. In 2025, He embedded SKU (Stock Keeping Unit), contribution margins (MI ratio) and business-specific ROIC management, contributing to sustainable profit expansion through continued global growth and operational improvements. In addition, he engaged in constructive dialogue with stakeholders through earnings conference and other communications. We are confident that Mr. Negoro's experience and expertise will contribute to Kao Group's corporate value by strengthening the Board's strategic planning, decision-making, and oversight. Therefore, we are nominating him for reappointment as a director.

**EVA is a registered trademark of Stern Stewart & Co.*

3. Toru Nishiguchi (Date of Birth: November 18, 1961)

Re-nomination



Attendance to the Meetings of the Board of Directors:
15/15 (100%)

Number of the Company shares owned:
18,600 shares

Term of office at the conclusion of this AGM:
3 years

[Career summary, status and duties at the Company]

April 1985	Joined the Company
March 2006	Manager, International Business, Consumer Products, Asia
November 2006	Senior Vice President, Market Division, Kao Commercial (Shanghai) Co., Ltd.
May 2007	Vice President; Vice President, Marketing, Kao Commercial (Shanghai) Co., Ltd.
July 2008	Vice President; Vice President, Marketing, Kao Commercial (Shanghai) Co., Ltd.
February 2014	President, Kao (Taiwan) Corporation
January 2017	Chairperson of the Board of Directors & President, Kao (Taiwan) Corporation
January 2018	President, PT Kao Indonesia
January 2019	Vice President, Consumer Products, Asia
January 2020	Executive Officer; President, Consumer Products, Asia; Chairperson of the Board and President, Kao (China) Holding Co., Ltd.; Chairperson of the Board and President, Kao Corporation Shanghai; Chairperson of the Board, Kao Commercial (Shanghai) Co., Ltd.; Chairperson of the Board and President, Kao (Hefei) Co., Ltd.
January 2021	Managing Executive Officer; President, Consumer Products, Asia; Responsible for Consumer Products - Merries Business Chairperson of the Board, Kanebo Cosmetics (China) Co., Ltd.
January 2023	Senior Managing Executive Officer (current); Vice President, Consumer Products, Global
March 2023	Director; Responsible for Consumer Products, Global; Responsible for Kao Professional Services Co., Ltd.
January 2024	President, Consumer Products - Life Care Business, Global
March 2024	Representative Director (current)
January 2025	Responsible for Global Consumer Care Business, Global (current) ; President, Global Consumer Care, Asia

[Reason for nomination as a candidate for Director]

Mr. Nishiguchi has been at the forefront of Kao's "Yoki-Monozukuri" philosophy for many years, leading product development—the core function of innovation—and marketing to effectively communicate the essential value of products to consumers.

More recently, he has overseen Kao's Consumer Products Business, gaining deep insights into global competitive dynamics, evolving consumer and partner expectations, stakeholder demands, and the company's strengths and challenges. He also has extensive global management experience, including leadership of key subsidiaries across Asia, particularly in China.

Since 2023, as Responsible for the Global Consumer Care Business, he has been driving the swift and decisive development of Kao's Global Sharp Top business. He has also been reviewing the business portfolio and making proactive investments in growth businesses. In 2025, he further enhanced competitiveness in the domestic consumer business through higher value-added products. In addition, by advancing focused investment in growth areas, he revitalized the previously challenged cosmetics business and achieved a significant increase in profits.

We are confident that Mr. Nishiguchi's experience and expertise will contribute to Kao Group's corporate value by strengthening the Board's strategic planning, decision-making, and oversight. Therefore, we are nominating him for reappointment as a director.

4. Lisa MacCallum (Date of Birth: April 10, 1972)

Re-nomination



Attendance to the Meetings of the Board of Directors:

12/12 (100%)

Number of the Company shares owned:

0 shares

Term of office at the conclusion of this AGM:

1 year

[Career summary, status and duties at the Company]

February	1998	Founding Executive, Business Breakthrough, Inc. (currently, Aoba-BBT, Inc.)
November	2001	USA Business Senior Executive, NIKE, Inc.
June	2006	Managing Director, Nike Foundation
May	2010	Vice President, NIKE, Inc.
August	2015	Founder and President, Inspired Companies Pty Ltd. (current)
July	2019	ESG External Advisory Board, the Company
September	2021	Corporate Executive Fellow
January	2025	Corporate Executive Fellow (Responsible for Corporate Branding) (current)
March	2025	Director, the Company (current)

[Other material position(s) held]

Founder and President, Inspired Companies Pty Ltd.;
Non-Executive Director, Adani Energy Solutions Limited;

[Reason for nomination as a candidate for Director]

Ms. MacCallum has extensive experience leading business transformation and brand repositioning at a major global sportswear company. She also has a strong background as an advisor on brand purpose, strategy, communications and ESG.

Since July 2019, she has served as a member of Kao's ESG External Advisory Board, and since September 2021, she has been an Executive Fellow, providing guidance on Kao Group's sustainability initiatives and communications from a global and multi-stakeholder perspective. She has a deep understanding of Kao's business, competitive advantages and organisational culture. In 2025, she provided advice on external communications, including the integrated report, from a global stakeholder perspective, contributing to an improvement in the quality of our stakeholder engagement and in our corporate brand value.

Leveraging her extensive experience and expertise, we believe Ms. MacCallum will further strengthen Kao Group's global integration of sustainability and business, as well as enhance its marketing, corporate branding, and brand strategy. Therefore, we are nominating her for reappointment as a director.

5. Eriko Sakurai (Date of Birth: November 16, 1960)

Re-nomination

Outside Director

Independent
Director



[Career summary, status and duties at the Company]

June 1987	Joined Dow Corning Corporation
May 2008	Director, Dow Corning Toray Co., Ltd.
March 2009	Chairman and CEO, Dow Corning Toray Co., Ltd.
June 2018	Chairman and CEO, Dow Toray Co., Ltd.
August 2020	President, Dow Chemical Japan Limited
March 2022	Director, the Company (current)

[Other material position(s) held]

Outside Director, Astellas Pharma Inc. ;
Outside Director, Hitachi, Ltd.

[Reason for nomination as a candidate for Outside Director and outline of expected roles]

Ms. Sakurai has extensive experience in corporate management, having served for many years at the Japanese subsidiary of a U.S.-based chemical manufacturer with a global presence. She has also held outside director positions at multiple major manufacturers and financial institutions, contributing to governance oversight at global companies, and she has offered strategic guidance on compensation, talent development, and human resources management based on her experience in formulating and executing HR strategies in global business environments. Since March 2024, she has served as Chairperson of the Committee for Examination of Nominees for Directors and Audit & Supervisory Board Members, contributing to progress of the discussions on Board composition, the skills required for directors to achieve K27, candidate selection, and succession planning.

In 2025, as Chair of the Committee, she led the implementation and enhancement of an appropriate and highly transparent appointment process, while also engaging in constructive dialogue with investors through SR meetings. She has also contributed to the further enhancement of the Company's corporate governance, including by calling for greater clarity in the appointment process. Given her extensive experience and deep expertise, we expect her to continue supervising Kao Group's management as an independent outside director. Therefore, we are nominating her for reappointment as an outside director. If this proposal is approved, she is expected to serve as Chairperson of the Board of Directors following the General Meeting of Shareholders.

[Matters regarding independency]

The Company has reported to the Tokyo Stock Exchange, Inc. that Ms. Sakurai is an Independent Director as set forth in the Regulations of the Tokyo Stock Exchange, Inc. The Company will continue the above report if she is reelected and assumes office as a Director.

She previously had executive authority at Dow Chemical Japan Limited, but ceased to have such authority from July 2022. As a Japanese subsidiary of a US chemical manufacturer, Dow Chemical Japan Limited manufactures, imports, and sells various chemical products and provides technical services. The Kao Group conducts transactions related to the purchase and sale of raw materials, etc. with the corporate group to which Dow Chemical Japan Limited is affiliated; however, the amounts involved in such transactions accounted for less than 0.1% of the such Group's consolidated net sales and less than 0.5% of the Kao Group's consolidated net sales for the latest fiscal year, respectively.

Attendance to the Meetings of the Board of Directors:
15/15 (100%)

Number of the Company shares owned:
700 shares

Term of office at the conclusion of this AGM:
4 years

6. Takaaki Nishii (Date of Birth: December 27, 1959)

Re-nomination

Outside Director

Independent
Director



Attendance to the Meetings of the Board of Directors:

15/15 (100%)

Number of the Company shares owned:

4,000 shares

Term of office at the conclusion of this AGM:

3 years

[Career summary, status and duties at the Company]

April	1982	Joined Ajinomoto Co., Inc.
June	2013	Member of the Board & Corporate Vice President, Ajinomoto Co., Inc.
August	2013	President, Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.
June	2015	Representative Director, President & Chief Executive Officer, Ajinomoto Co., Inc.
June	2021	Director, Representative Executive Officer, President & CEO, Ajinomoto Co., Inc.
April	2022	Director, Executive Officer, Ajinomoto Co., Inc.
June	2022	Senior Corporate Advisor, Ajinomoto Co., Inc.
March	2023	Director, the Company (current)

[Other material position(s) held]

Outside Director, Daiichi Sankyo Company, Limited

[Reason for nomination as a candidate for Outside Director and outline of expected roles]

Mr. Nishii has a long history of corporate management in a globally operating food and amino acid manufacturer, where he demonstrated strong leadership in driving corporate cultural transformation and enhancing sustainable corporate value through ROIC-based management. At Kao's Board meetings, he has consistently provided insights and recommendations from a capital efficiency perspective, which has contributed to embedding ROIC principles within the company. Additionally, with his extensive experience in key HR and overseas subsidiary leadership roles in the food and amino acid industry, he has provided valuable insights on talent strategy and international business operations, actively contributing to Board discussions.

Furthermore, based on his experience promoting governance reforms, he has offered guidance on optimizing Board oversight.

In recent years, he offered effective advice regarding the Company's communication with investors, drawing on his experience in dialogue with capital markets.

Given his wealth of experience and strong expertise, we expect him to continue supervising Kao Group's management as an independent outside director. Therefore, we are nominating him for reappointment as an outside director. If this proposal is approved, he is expected to serve as Chairperson of the Compensation Advisory Committee for Directors and Executive Officers following the General Meeting of Shareholders.

[Matters regarding independency]

The Company has reported to the Tokyo Stock Exchange, Inc. that Mr. Nishii is an Independent Director as set forth in the Regulations of the Tokyo Stock Exchange, Inc. The Company will continue the above report if he is reelected and assumes office as a Director. He previously had executive authority at Ajinomoto Co., Inc., but ceased to have such authority from June 2022. The Ajinomoto Group is engaged in business that uses amino acids as raw materials, and there are raw material purchasing, selling and other relations between the Ajinomoto Group and the Kao Group. However, the amounts involved in such transactions accounted for less than 0.5% of the Ajinomoto Group's consolidated net sales and less than 0.1% of the Kao Group's consolidated net sales for the latest fiscal year, respectively.

In addition, he previously had executive authority at FINET, INC., but ceased to have such authority from June 2025. The Kao Group pays usage fees for services provided by FINET, INC.; however, the amounts involved in such transactions accounted for less than 0.1% of FINET, INC.'s net sales and the Kao Group's consolidated net sales for the latest fiscal year, respectively.

7. Makoto Takashima (Date of Birth: March 31, 1958)

Re-nomination

Outside Director

Independent
Director



Attendance to the Meetings of the Board of Directors:
15/15 (100%)

Number of the Company shares owned:
0 shares

Term of office at the conclusion of this AGM:
2 years

[Career summary, status and duties at the Company]

April	1982	Joined Sumitomo Bank, Limited
April	2012	Managing Executive Officer, Head of Americas Division, Sumitomo Mitsui Banking Corporation (SMBC)
April	2014	Senior Managing Executive Officer, Co-Head of International Banking Unit (Europe, Americas), SMBC
April	2015	Senior Managing Executive Officer, Co-Head of International Banking Unit (Europe, Middle East and Africa, Americas), SMBC
December	2016	Director and Senior Managing Executive Officer, SMBC
April	2017	President and Chief Executive Officer, SMBC
June	2017	Director, Sumitomo Mitsui Financial Group, Inc. (SMFG)
April	2023	Chairman of the Board, SMBC
March	2024	Director, the Company (current)
June	2025	Chairman of the Board, SMFG (current)

[Other material position(s) held]

Chairman of the Board, Sumitomo Mitsui Financial Group, Inc.

[Reason for nomination as a candidate for Outside Director and outline of expected roles]

Mr. Takashima has extensive experience in global corporate management, having worked in international operations and corporate planning at a major global financial institution for many years. He later steered the company in a rapidly evolving global financial industry, demonstrating strong leadership in adapting to change.

At Kao's Board meetings, he has actively contributed by providing insights and recommendations on key areas such as Investor Relations (IR), Shareholder Relations (SR), and global partnerships. In recent years, he provided broad and valuable perspectives on overseas IR strategy and overseas business management. In addition, drawing on his insights in risk management and legal affairs, he offered accurate advice on policy trends and legal risks.

Leveraging his vast experience and deep expertise, we expect him to continue overseeing Kao Group's management as an independent outside director. Therefore, we are nominating him for reappointment as an outside director.

[Matters regarding independency]

The Company has reported to the Tokyo Stock Exchange, Inc. that Mr. Takashima is an Independent Director as set forth in the Regulations of the Tokyo Stock Exchange, Inc. The Company will continue the above report if he is reelected and assumes office as a Director.

He previously had executive authority at Sumitomo Mitsui Banking Corporation, but ceased to have such authority from April 2023. Although the Kao Group has transactions with the Sumitomo Mitsui Financial Group, such as the use of corporate credit cards, the ratios of the amount involved in such transactions account for less than 0.1% of the Sumitomo Mitsui Financial Group's consolidated ordinary income and the Kao Group's consolidated net sales for the latest fiscal year, respectively. In addition, although the Kao Group has regular banking transactions with and borrows from the Sumitomo Mitsui Financial Group, the amount borrowed by the Kao Group from the group as of the end of the latest fiscal year accounts for less than 1.5% of the total consolidated assets of the Kao Group.

8. Sarah L. Casanova (Date of Birth: April 6, 1965)

Re-nomination

Outside Director

Independent
Director



[Career summary, status and duties at the Company]

January	1991	Joined McDonald's Restaurants of Canada, Ltd.
October	2004	Vice President, Marketing, McDonald's Company (Japan), Ltd.
April	2007	Senior Vice President, Business Development, McDonald's Company (Japan), Ltd.
July	2009	Managing Director, McDonald's Malaysia and Brunei
June	2012	Regional Manager, McDonald's Malaysia, Singapore and Brunei
August	2013	Representative Director, President and CEO, McDonald's Company (Japan), Ltd.
March	2014	Representative Director, President and CEO of McDonald's Holdings Company (Japan), Ltd.
March	2019	Representative Director, Chairman of the Board, McDonald's Company (Japan), Ltd.
March	2021	Representative Director, Chairman of the Board, McDonald's Holdings Company (Japan), Ltd.
March	2025	Director, the Company (current)

Attendance to the Meetings of the Board of Directors:

12/12 (100%)

Number of the Company shares owned:

0 shares

Term of office at the conclusion of this AGM:

1 year

[Other material position(s) held]

External Director, Mitsui & Co., Ltd.

Outside Director, Yamaha Motor Co., Ltd.

[Reason for nomination as a candidate for Outside Director and outline of expected roles]

Ms. Casanova has extensive experience in marketing across multiple countries, including Japan, at a major global restaurant chain. With extensive experience as an executive and regional leader in various country subsidiaries, she demonstrated exceptional management skills as the CEO of the Japanese company from 2013 to 2019, executing growth strategies which led to significant business performance improvements. She also has experience engaging with capital markets as the executive of a publicly listed company.

At Kao's Board meetings, she has also actively provided comments and recommendations on matters such as global growth strategies, brand strategies, and dialogue with investors. In 2025, she has provided clear and constructive advice that contributed to enhancing the execution of the Company's growth strategies, including emphasizing marketing driven by customer insights, building organizations, talent and processes aligned with strategy, and stressing the importance of prioritization and speed. We expect her to leverage this wealth of experience and high level of insight to supervise the management of the Kao Group as an independent outside director.

Therefore, we are nominating her for reappointment as an outside director. If this proposal is approved, she is expected to serve as Chairperson of the Committee for the Examination of the Nominees for Directors and Audit & Supervisory Board Members following the General Meeting of Shareholders.

[Matters regarding independency]

The Company has reported to the Tokyo Stock Exchange, Inc. that Ms. Casanova is an Independent Director as set forth in the Regulations of the Tokyo Stock Exchange, Inc. The Company will continue the above report if she is reelected and assumes office as a Director.

9. Shinji Okuyama (Date of Birth: December 27, 1965)

New Nominee

Outside Director

Independent
Director



Number of the Company
shares owned:
0 shares

[Career summary]

April	1989	Joined P&G Far East, Inc. (currently, P&G Japan G.K.)
September	2008	President, Procter & Gamble Korea, Inc.
June	2012	President, P&G Japan Limited. (currently, P&G Japan G.K.)
November	2016	Senior Corporate Officer - Marketing, Ezaki Glico Co., Ltd.
February	2021	President, Google Japan G.K. (current)

[Other material position(s) held]

President, Google Japan G.K.

[Reason for nomination as a candidate for Outside Director and outline of expected roles]

Mr. Okuyama brings extensive experience in marketing across Japan and Asia, gained through his career at a Japanese subsidiary of one of the world's largest consumer goods companies, where he successfully revitalized multiple brands by proposing new value. He also led portfolio transformation as a marketing leader in a food manufacturer.

In addition, he has served as President of the Korean and Japanese subsidiaries of one of the world's largest consumer goods companies, as well as the President at the Japanese subsidiary of a global IT company. In these roles, he demonstrated strong capabilities in talent acquisition and development and in promoting D&I. Furthermore, through his tenure as president of a global IT company's Japanese subsidiary, he developed deep insights into IT・DX, including the promotion of digital and AI transformation in Japan.

Given his extensive experience and expertise, our strong view is that he will provide valuable oversight as an independent outside director, particularly for Kao Group's global growth strategies, brand strategies, human resources strategy, marketing and IT・DX. Therefore, we are nominating him as an outside director candidate.

[Matters regarding independency]

If Mr. Okuyama is elected and assumes office as a Director, the Company will report to the Tokyo Stock Exchange, Inc., that he is an Independent Director as set forth in the Regulations of the Tokyo Stock Exchange.

He has executive authority at Google Japan G.K. The Kao Group conducts transactions related to the advertising, etc. with the corporate group to which Google Japan G.K. is affiliated; however, the amounts involved in such transactions account for less than 0.1% of such group's consolidated net sales and less than 0.1% of the Kao Group's consolidated net sales for the latest fiscal year.

[Special notes concerning nominees for Directors]

■ Special relationship between the Company and the nominees for Directors

- The nominee for Director, Shinji Okuyama concurrently serves as the President, Google Japan G.K., and the Company conducts transactions related to the advertising, etc. with Google Japan G.K.
- Except for the above, there are no special interests between the Company and the nominees for Directors.

■ Matters regarding the nominees for Outside Directors

Of the nominees for Directors, Eriko Sakurai, Takaaki Nishii, Makoto Takashima, Sarah L. Casanova, and Shinji Okuyama are nominees for Outside Directors.

■ Summary of liability limitation agreements

Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company entered into an agreement with Eriko Sakurai, Takaaki Nishii, Makoto Takashima, and Sarah L. Casanova, respectively, to the effect that each of their liability under Article 423, Paragraph 1 of the Companies Act will be limited to the higher of: 10 million yen; or any amount prescribed by applicable laws and regulations. If they are reelected and assume office, the Company will continue these agreements with them. If Shinji Okuyama is elected and assumes office as an Outside Director, the Company and Mr. Okuyama will enter into an agreement under the same terms and conditions.

■ Summary of directors and officers liability insurance in which nominees for Directors are the insured

The Company has entered into a directors and officers liability insurance contract with an insurance company, as provided for in Article 430-3, Paragraph 1 of the Companies Act, insuring the Directors, Audit & Supervisory Board Members, and Executive Officers, etc., of the Company and the Kao Group. This contract covers compensation for damages and legal costs that may be incurred by the insured if they receive a claim for damages as a result of their actions (including omissions) committed by them in connection with their duties as officers, etc. of the Company and the Kao Group. However, the contract does not cover damages arising from actions taken by the insured with the knowledge that they were in violation of the law, so as not to impair the appropriate execution of duties by the insured. Insurance premiums are covered by the Company and the Kao Group. All nominees for Directors will be insured under this insurance contract. The Company plans to retain this contract with the same content at the time of the next renewal.

■ In the event that the nominee for Outside Director has been a director, executive officer, or corporate auditor of another stock company during the past five years, facts that violate laws, regulations, or the articles of incorporation of such other stock company during his/her term of office

Eriko Sakurai, a nominee for Outside Director, served as an Outside Director of Sumitomo Mitsui Financial Group, Inc. (SMFG) until June 2025, and Makoto Takashima, a nominee for Outside Director, served as a Director of SMFG until June 2023. SMFG and its subsidiary, SMBC Nikko Securities Inc., received an administrative action under the Financial Instruments and Exchange Act from the Financial Services Agency in October 2022 in relation to a violation of Article 159, paragraph (3) (illegal stabilizing transactions) of the Financial Instruments and Exchange Act by former officers and employees of SMBC Nikko Securities Inc. In February 2023, SMBC Nikko Securities Inc. was convicted by the Tokyo District Court and the conviction became final. Furthermore, in October 2022, SMBC Nikko Securities Inc. received an administrative action from the Financial Services Agency under the Financial Instruments and Exchange Law in connection with the transfer of undisclosed information between officers and employees of SMBC Nikko Securities Inc. and Sumitomo Mitsui Banking Corporation, a subsidiary of SMFG. In addition, the Financial Services Agency issued orders for SMFG and Sumitomo Mitsui Banking Corporation to submit reports under the Financial Instruments and Exchange Act and the Banking Act with respect to this incident.

Eriko Sakurai was not aware of the incident, but as an Outside Director, she has always expressed the importance of compliance with laws and regulations, ensuring appropriateness of operations, and risk management at meetings of the SMFG board of directors and various committees, and has made recommendations for the thorough implementation of these measures. After the incident came to light, she has been involved in deliberations at meetings of the SMFG board of directors and various committees to formulate and implement effective measures to prevent recurrence, further strengthen SMFG's legal compliance and internal control systems, and foster sound corporate culture.

In addition, Makoto Takashima has constantly stated the importance of compliance with laws and regulations, appropriateness of operations, and risk management at meetings of the SMFG board of directors, and has made recommendations for the thorough implementation of such. After the incident was discovered, he was involved in deliberations at meetings of the SMFG board of directors, etc. to promote efforts to formulate and implement effective measures to prevent recurrence, further strengthen SMFG's legal compliance and internal control systems, and foster sound corporate culture.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE IN FAVOR OF THIS PROPOSAL 2.

PROPOSAL 3: ELECTION OF ONE (1) AUDIT & SUPERVISORY BOARD MEMBER

Of the five (5) incumbent Audit & Supervisory Board Members, the term of office of Nobuhiro Oka will expire at the conclusion of the AGM. Accordingly, the Company proposes the election of an Audit & Supervisory Board Member as an Outside Audit & Supervisory Board Member.

The Audit & Supervisory Board has approved the submission of this proposal to the AGM.

Provided below is the relevant personal information and career summary held by the nominees.

1. Shuji Tamaki (Date of Birth: December 3, 1961)

New Nominee

Outside Audit &
Supervisory
Board Member

Independent Audit
& Supervisory
Board Member



Number of the
Company shares owned:
0 shares

[Career summary]

April 1985	Joined OMRON Tateisi Electronics Co. (currently, OMRON Corporation)
May 1991	Graduated from New York University School of Law
September 1991	Mayer, Brown & Platt (currently, Mayer Brown)
March 1992	Admitted to New York Bar
March 2015	Senior General Manager, Global Risk Management and Legal HQ, OMRON Corporation
April 2015	Executive Officer, OMRON Corporation
June 2021	Audit & Supervisory Board Member (Full-time), OMRON Corporation
June 2025	Representative Director, Riscarre Research Co., Ltd. (current)

[Other material position(s) held]

Representative Director, Riscarre Research Co., Ltd.

[Reason for nomination as a candidate for Outside Audit & Supervisory Board Member]

Mr. Tamaki has a long history of legal affairs, compliance, internal controls, and Risk Management Operations in a major global automation equipment manufacturer actively engaged in governance initiatives. He has also served as executive officer in charge of Global Risk Management.

In addition, he has also served as the company's Audit & Supervisory Board Member (Full-time) and chairperson of the Audit & Supervisory Board, gaining extensive experience in auditing practices. Given his expertise, we are confident Mr. Tamaki will contribute effectively to Kao Group's audit functions, and therefore, we are nominating him as an Outside Audit & Supervisory Board Member candidate.

[Matters regarding independency]

If Mr. Tamaki is elected and assumes office as Audit & Supervisory Board Member, the Company will report to the Tokyo Stock Exchange, Inc., that he is an Independent Audit & Supervisory Board Member as set forth in the Regulations of the Tokyo Stock Exchange.

He previously had executive authority at OMRON Corporation but ceased to have such authority from April 2021. The OMRON Group is engaged in manufacturing and sales of control equipment and data solutions business. Although, the Kao Group purchase equipment provided by the company group, among other things, the amounts involved in such transactions account for less than 0.1% of such group's consolidated net sales and less than 0.1% of the Kao Group's consolidated net sales for the latest fiscal year.

He had executive authority at Japan Audit & Supervisory Board Members Association but ceased to have such authority from December 2025. Although, the Kao Group pay membership fees to the association, the ratios of the amount involved in such transactions account for less than 0.1% of the Japan Audit & Supervisory Board Members Association's consolidated ordinary income and the Kao Group's consolidated net sales for the latest fiscal year, respectively.

[Special notes concerning nominees for Audit & Supervisory Board Members]

■ **Special relationship between the Company and the nominees for Audit & Supervisory Board Members**

There are no special interests between the Company and Shuji Tamaki.

■ **Matters regarding the nominee for Outside Audit & Supervisory Board Member**

Shuji Tamaki is a nominee for Outside Audit & Supervisory Board Member.

■ **Summary of liability limitation agreements**

If Shuji Tamaki is elected and assumes office as an Audit & Supervisory Board Member, pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company will enter into an agreement with him to the effect that his liability under Article 423, Paragraph 1 of the Companies Act will be limited to the higher of: 10 million yen; or any amount prescribed by applicable laws and regulations.

■ **Summary of directors and officers liability insurance in which nominees for Audit & Supervisory Board Members are the insured**

The Company has entered into a directors and officers liability insurance contract with an insurance company, as provided for in Article 430-3, Paragraph 1 of the Companies Act, insuring the Directors, Audit & Supervisory Board Members, and Executive Officers, etc., of the Company and the Kao Group. This contract covers compensation for damages and legal costs that may be incurred by the insured if they receive a claim for damages as a result of their actions (including omissions) committed by them in connection with their duties as officers, etc. of the Company and the Kao Group. However, the contract does not cover damages arising from actions taken by the insured with the knowledge that they were in violation of the law, so as not to impair the appropriate execution of duties by the insured. Insurance premiums are covered by the Company and the Kao Group. The nominees for Audit & Supervisory Board Members will be insured under this insurance contract. The Company plans to retain this contract with the same content at the time of the next renewal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE IN FAVOR OF THIS PROPOSAL 3.

(For Reference)

Stance on Balance among Knowledge, Experience and Skills, and on Diversity and Size of the Board of Directors

At Board of Directors meetings (attended by Directors and Audit & Supervisory Board Members), Directors provide broad direction regarding business strategies and Directors and Audit & Supervisory Board Members deliberate on their appropriateness and the risks related to their realization and other matters in an objective and multidimensional fashion.

The Kao Group Mid-term Plan “K27” includes the vision of “Protecting future lives.” To accomplish this, the Company’s management is executing business in line with the Company’s strategies of (1) becoming an essential company in a sustainable world, (2) transforming to build robust business through investment, and (3) maximizing the power and potential of employees.

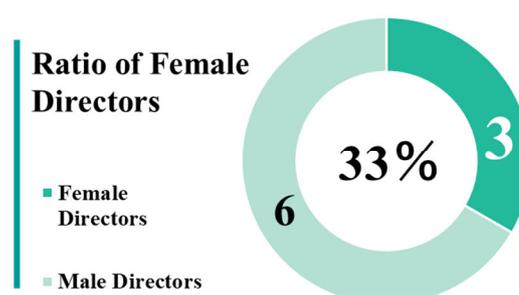
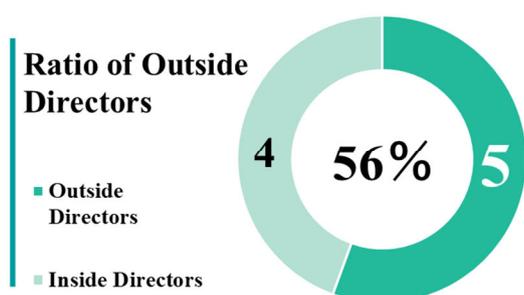
The Board of Directors considers it important for Inside and Outside Directors and Audit & Supervisory Board Members to complement each other with each of their knowledge, experience, and abilities, and to be able to demonstrate high effectiveness as a whole, in order to supervise that management is implementing business execution in a framework for transparent, fair, prompt and decisive decision-making in accordance with the above strategies.

In addition to knowledge, experience and ability, the Company recognizes that diverse perspectives that come from diversity of the Board of Directors in terms of gender, nationality, race and age contribute to the promotion of business, global expansion and proper supervision and auditing, and promotes the appointment of such diverse personnel as Directors and Audit & Supervisory Board Members. The items of experience, knowledge, and expertise are reviewed annually by the Committee for the Examination of the Nominees for Directors and Audit & Supervisory Board Members in terms of their importance to the Company’s sustainable growth. Based on the skills matrix, the committee deliberates on the composition of the Board of Directors and candidates for the upcoming fiscal year.

The Company aims for a small Board of Directors to accelerate decision-making while also considering the balance between having diverse personnel required to conduct the proper deliberations and supervision of execution. It has also set the number of Outside Directors to comprise at least half of the Board of Directors and is considering increasing it to the majority to ensure its diversity and influence and emphasizes their independence. In addition, the Company aims to have a majority of Outside Audit & Supervisory Board Members who meet the Standards for Independence.

Composition of the Board of Directors

If Proposal No. 2 (Election of nine (9) Directors) is approved as proposed, the ratios of Outside Directors and female Directors on the Company’s Board of Directors will be as follows.



(For Reference) Skill Matrix

		Attributes			Experience / Knowledge / Expertise										Main reasons for marking “✓”	
		Term of office	Gender	Nationality	Management	Global	Consumer goods industry	Chemical industry	Branding	Human capital strategy	R&D	Environment/ Society	IT/DX	Legal/Risk management		Finance/ Accounting
Inside Directors	Yoshihiro Hasebe	10 years	Male	Japan	✓	✓	✓	✓		✓	✓	✓	✓			<ul style="list-style-type: none"> - Experience in the Company’s Research and Development (including experience in global operations, and knowledge of fundamental and applied technologies and matter cycle research) (Doctor of Engineering) - Experience at the Company’s overseas business promotion projects - Experience as the Company’s Senior Vice President of Strategic Innovation Technology - Experience as the Company’s officer responsible for Human Capital Development
	Masakazu Negoro	3 years	Male	Japan		✓		✓					✓		✓	<ul style="list-style-type: none"> - Experience in the Company’s Chemical Business and management experience at overseas subsidiaries (Chemical Business) - Experience at the Company’s Procurement, Global (including promotion of sustainability activities in procurement) - Experience as the Company’s officer responsible for Accounting and Finance
	Toru Nishiguchi	3 years	Male	Japan		✓	✓		✓							<ul style="list-style-type: none"> - Experience in the Company’s Consumer Products Business - Experience in management and global marketing at the Company’s overseas subsidiaries - MBA
	Lisa MacCallum	1 year	Female	Australia		✓	✓		✓	✓		✓	✓		✓	<ul style="list-style-type: none"> - Experience leading business transformations and brand repositioning for a leading global sporting goods company - Experience advising on brand purpose, strategy, employee experience, ESG communications, and the impact of digitization - Chartered Accountant with big firm experience
Outside Directors	Eriko Sakurai	4 years	Female	Japan	✓	✓		✓		✓		✓				<ul style="list-style-type: none"> - Experience as the head of a global division and the regional head of a major U.S. chemical company - Experience in overall human resources strategy, including compensation, development, and assignment in global businesses - Knowledge of sustainability
	Takaaki Nishii	3 years	Male	Japan	✓	✓	✓			✓					✓	<ul style="list-style-type: none"> - Experience as the top executive of a major global food and amino acid company (Mid-term ROIC management results) - Experience in restructuring overseas subsidiaries - Experience in the human resources department

	Attributes			Experience / Knowledge / Expertise											Main reasons for marking “✓”
	Term of office	Gender	Nationality	Management	Global	Consumer goods industry	Chemical industry	Branding	Human capital strategy	R&D	Environment/ Society	IT/DX	Legal/Risk management	Finance/ Accounting	
	Makoto Takashima	2 years	Male	Japan	✓	✓							✓	✓	<ul style="list-style-type: none"> - Experience as the top executive of a major global financial institution - Experience in international and corporate planning departments - Experience in risk management and legal affairs in bank management
	Sarah L. Casanova	1 year	Female	Canada	✓	✓	✓		✓	✓			✓		<ul style="list-style-type: none"> - Experience managing the Japanese Company of a major global restaurant chain - Experience as a head of various countries/regions, including Japan - Marketing experience in various countries and regions - MBA (Marketing/HR focus)
	Shinji Okuyama	-	Male	Japan	✓	✓	✓		✓	✓			✓	✓	<ul style="list-style-type: none"> - Experience as an executive at the Japanese subsidiary of a global consumer products company - Experience leading initiatives addressing social issues at a global IT company - Experience as a representative for a global IT company - Experience as a marketing leader at a major global food manufacturer
Inside Audit & Supervisory Board Members	Yasushi Wada	3 years	Male	Japan		✓							✓	✓	<ul style="list-style-type: none"> - Experience in the Company's Product Quality Management - Experience at the Company's global production sites - Experience in the Company's process engineering development and plant management
	Mami Murata	1 year	Female	Japan			✓		✓				✓		<ul style="list-style-type: none"> - Experience in the Consumer Products Business - Experience in overseeing Strategic Public Relations (including social contributions) and serving as Deputy Head of the Marketing Innovation Division - Experience as Executive Director of the Kao Foundation for Arts and Science
Outside Audit & Supervisory Board Members	Saeko Arai	2 years	Female	Japan		✓						✓		✓	<ul style="list-style-type: none"> - Certified Public Accountant - Experience as a representative of a U.S. corporation - Experience as a partner of an IT venture company
	Junya Naito	-	Male	Japan		✓							✓		<ul style="list-style-type: none"> - Attorney-at Law, Japan and New York, U.S.A.
	Shuji Tamaki	-	Male	Japan		✓							✓		<ul style="list-style-type: none"> - Experience in global risk management at a leading domestic governance company - Experience as an Executive Officer in charge of Legal Affairs and as Audit & Supervisory Board Member (Full-time) / Chairman

Experience/ knowledge/expertise	Reasons for selection as experience/knowledge/expertise
Management	Experience as a top executive is necessary for effectively supervising management, their execution of the strategy, and for providing useful counsel to management. This experience is essential to ensure appropriate risk-taking and prompt, decisive decision-making by the management to contribute to proactive governance.
Global	As part of our K27 strategy, we aim to expand globally and offer unique value to our customers that sets us apart, to avoid intense competition and price wars with competitors. Furthermore, we plan to accelerate global growth as part of K27, by transitioning to a localized production and consumption model focusing on local value, cost performance, and manufacturing. Importantly, understanding Japanese companies is critical and desirable for promoting global strategies, as our company is a Japanese firm with a majority of Kao's revenues and assets being generated in the region. Experience with non-Japanese companies is also additive to help provide guidance and oversee global expansion efforts. Management positions and insights into overseas operations are also necessary to provide guidance and oversee these efforts.
Consumer goods industry/ Chemical industry	Experience in and understanding of the consumer goods and chemical industries is imperative given Kao's exposure to these sectors. To effectively oversee management's execution, it is important to take a comprehensive view of our business domains, including the consumer goods and chemical industries, from a higher-level perspective. For this reason, we believe that the Board should have a deep understanding of the business environment, market characteristics, and future outlook of these industries.
Branding	Actively investing in marketing of our core brands globally that are deemed capable of enhancing loyalty is an important strategy of Kao. It is also necessary for the Board to understand the elements of brand strategy so they can properly oversee the formulation and execution of brand and marketing initiatives as part of management strategies.
Human capital strategy	Developing human capital strategies aligned with management strategies is necessary for future growth, including strategically developing and acquiring talent. The Board needs to monitor the validity and progress of these strategies using specialized knowledge and experience.
R&D	Our company's research serves as the driving force behind the continuous creation of innovative and high-value products. We are committed to Essential Research and leverage the technological assets accumulated through such efforts to foster innovation. The Board must oversee whether our research framework sustains and develops innovation, effectively leverages the technology assets created, and contributes to expanding business and corporate value.
Environment/Society	Since April 2019, the Company has adopted ESG strategies under the Kirei Lifestyle Plan. Integrating sustainability and management strategies is pivotal for achieving our purpose of "realizing a world in which all life lives in harmony." and to achieve global growth. The Board is required to monitor the implementation of these strategies considering social trends and demands.
IT/Digital transformation (DX)	Achieving the K27 target necessitates innovative initiatives leveraging IT and DX, such as creating new businesses beyond our existing frameworks, as well as digital marketing and digital communication. Experience, knowledge, and expertise in IT/DX amongst the Board are critical, while complementing the oversight by the Board of Directors by utilizing executives and external experts.
Legal/Risk management	In the course of daily corporate activities, as well as in the creation of new businesses and business innovation, various risks are likely to arise. It is crucial to recognize and appropriately manage these risks, as well as to strategically, preemptively, and reactively address them while thoroughly understanding applicable laws, their background, and trends. The Board must possess experience, knowledge, and expertise in legal and risk management to ensure strategic and preventive responses to potential risks.
Finance/Accounting	Ensuring the reliability of financial reporting, which influences investment decisions and strategic planning, and optimizing capital allocation from a company-wide perspective is crucial for sustainable value creation. The Board must possess experience, knowledge, and expertise in finance and accounting to drive growth, profitability and capital efficiency.

(For Reference)

Policy on Nomination of Director and Audit & Supervisory Board Member Candidates

In accordance with our approach to the balance, diversity, scale of the knowledge, experience, and capabilities of the Board of Directors, the Company will nominate appropriate Directors and Audit & Supervisory Board Members. It is necessary for Directors and Audit & Supervisory Board Members to secure sufficient time to perform their duties as Directors and Audit & Supervisory Board Members of the Company, the number of concurrent positions held by Directors and Audit & Supervisory Board Members in listed companies, excluding the Company, is limited to three, in principle. At the time of reappointment, the Company requires the Directors and Audit & Supervisory Board Members to have attended at least 75% of the Board of Directors meetings in the most recent fiscal year.

The tenure is determined by considering independence and objectivity, while placing importance on the ability to discuss from a medium- to long-term perspective and capacity for stable management. In addition, to promote sharing of the knowledge and information obtained related to the Company's management and businesses from predecessor to successor, the Company sets staggered terms of office for Outside Directors and Outside Audit & Supervisory Board Members.

The human capital strategy, including the successor to the President and CEO, is regarded as one of the most critical management issues, and it has been discussed continuously at the Board of Directors meetings and at the Committee for the Examination of Nominees for Directors and Audit & Supervisory Board Members.

Members of Senior Management are nominated with emphasis on their understanding of the business environment and of the status of the Kao Group's businesses and management in order to deal with such environment necessary to plan the business strategies, and on their experience and ability to display strong leadership in quickly and properly executing the business strategies set by the Board of Directors.

Procedures for Nomination of Director and Audit & Supervisory Board Member Candidates

To objectively confirm that all Director candidates, including candidates for President and CEO, comply with the above policies and principles, the Company has a Committee for the Examination of Nominees for Directors and Audit & Supervisory Board Members, composed of all Outside Directors and one Outside Audit & Supervisory Board Member. This committee maintains a high level of objectivity since all its members are independent. The Committee, given inquiry from the Board of Directors, first discusses the desirable composition (diversity, skills, ratio of outsiders, size, etc.) in light of the strategy and business environment. Subsequently, based on this framework, the committee will review candidates suitable for the next Board of Directors composition. For new candidates, the committee will review resumes and skill matrices, followed by interviews with the candidates. The Committee will then deliberate on whether the candidates can fulfill the expected roles and whether they possess the necessary experience, expertise, and engagement, before submitting its recommendations to the Board of Directors. The Board will ultimately decide on the Director candidates, respecting the recommendations of the Committee.

The Company has shortened the term of office for Directors to one year; therefore, all Director candidates, including those for reappointment, undergo a rigorous review every year. With respect to Inside Director candidates, evaluations are conducted by Outside Directors, and the results are reflected not only in compensation but also in the nomination process.

With regard to nominees for Audit & Supervisory Board Members, the Audit & Supervisory Board, which includes three Independent Outside Audit & Supervisory Board Members as its members, examines the appropriateness and qualifications, etc. of each nominee, based on its independent and objective perspective and in accordance with the above-described policy and the policy of nominating nominees for Audit & Supervisory Board Members established by the Audit & Supervisory Board.

Eventually, with the consent of the Audit & Supervisory Board, the Board of Directors determines such nominees as the nominees for Audit & Supervisory Board Members based on the opinions of the Committee for the Examination of Nominees for Directors and Audit & Supervisory Board Members.

Decisions regarding the dismissal of Directors and Audit & Supervisory Board Members are made in accordance with the provisions of the Companies Act. However, if circumstances arise that warrant the dismissal of Directors, Audit & Supervisory Board Members, or the President and CEO, the matter is deliberated in a timely manner by the Committee for the Examination of the Nominees for Directors and Audit & Supervisory Board Members, and the Board of Directors deliberates on the matter, taking into consideration the Committee's deliberations.

With respect to Members of Senior Management, at the time of the examination of candidates for Directors, the positions and responsibilities of all candidates for Executive Officers are reported to the Committee for the Examination of the Nominees for Directors and Audit & Supervisory Board Members, and they are subsequently appointed by the Board of Directors. If circumstances arise that warrant the dismissal of Members of Senior Management, the matter is deliberated in a timely manner by the Board of Directors.

Regarding evaluation of the effectiveness of the Board of Directors

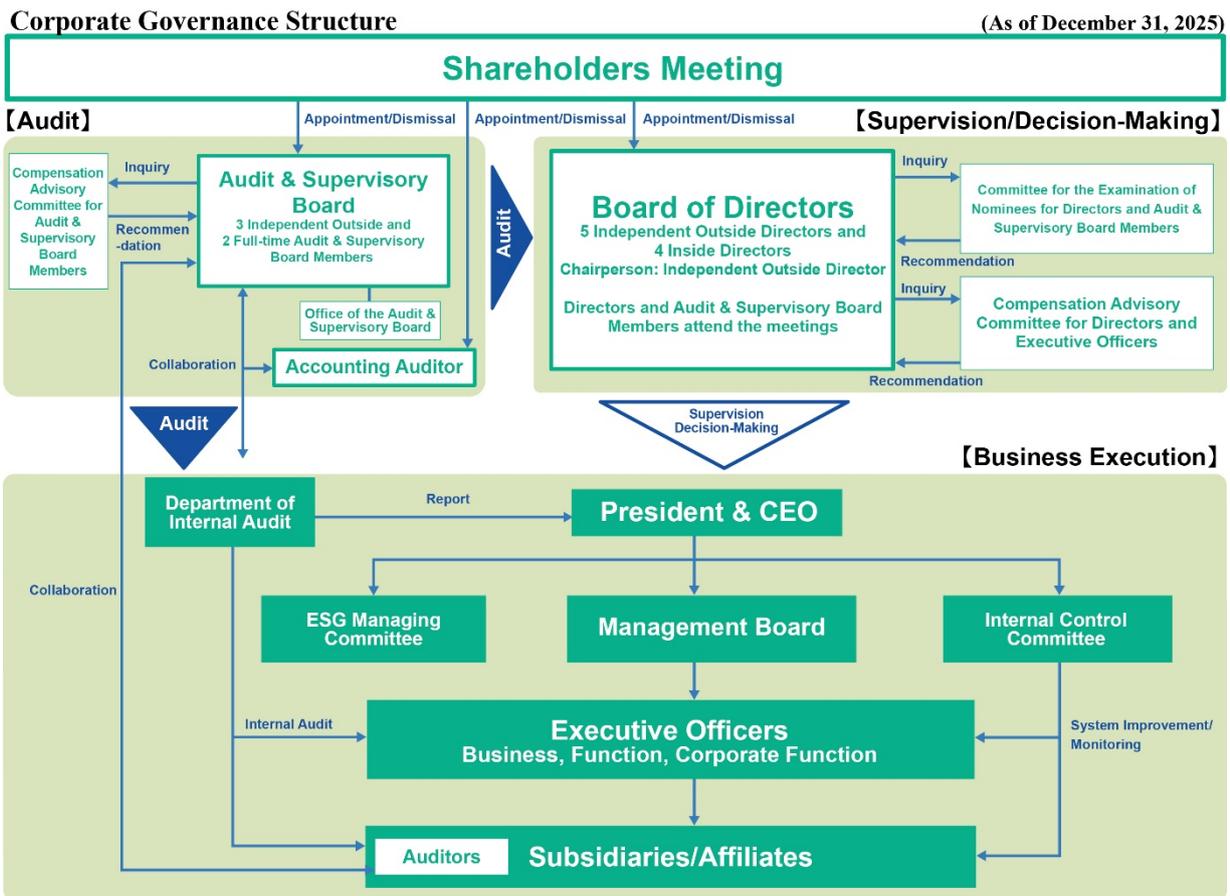
The Company conducts an effectiveness evaluation of the Board of Directors once a year (with attendees including Directors and Audit & Supervisory Board Members) and uses the results to implement improvements to enhance effectiveness. The results of the effectiveness evaluation for the FY2025 are published below for your reference.

www.kao.com/global/en/corporate/policies/corporate-governance/directors/

(For Reference) Status of Corporate Governance

Basic Views on Corporate Governance

In order to sustainably enhance corporate value over the long term while working to realize a Kirei World in which all life lives in harmony, which is our purpose of our corporate philosophy “The Kao Way” and to become an essential company in a sustainable world, Kao positions corporate governance as a top-priority management issue and continuously strengthens governance in both systems and operations. The Company’s corporate governance is a framework for transparent, fair, prompt and decisive decision-making. It takes into account the perspectives of all stakeholders and responds in a timely and appropriate manner to changes that are increasingly diverse, complex, and difficult to predict so that we can contribute to society and continuously enhance corporate value. The foundations of our efforts to achieve this are establishing and operating the necessary management structures and internal control systems, implementing the necessary measures in a timely manner, and demonstrating accountability. In addition, the Company works to understand social trends at all times and actively engages in dialogue with stakeholders to review the status of corporate governance from time to time and implements appropriate and necessary countermeasures and improvements.



PROPOSAL 4: PARTIAL REVISION OF THE TERMS AND CONDITIONS OF PERFORMANCE SHARES, ETC. FOR DIRECTORS, ETC.

1. Details of the Proposal and Reason for Justifying Such Compensation, etc.

The Company obtained shareholders' approval at the 111th Annual General Meeting of Shareholders held on March 21, 2017, the 115th Annual General Meeting of Shareholders held on March 26, 2021, and the 118th Annual General Meeting of Shareholders held on March 22, 2024 for the performance-based share incentive plan ("Plan") under which Company shares and cash in the amount equivalent to the converted value of Company shares ("Company Shares, etc.") are vested or paid ("vested, etc.") to Inside Directors and Executive Officers of the Company depending on the level of achievement of performance targets in the mid-term plan, etc.

This proposal seeks shareholder approval for the addition of outside directors to the scope of non-performance-based share remuneration (fixed portion), in addition to Inside Directors and Executive Officers (hereinafter collectively referred to as, "Directors, etc.").

Compensation for Inside Directors and Executive Officers of the Company consists of basic compensation, bonuses as short-term incentive compensation, and performance-based share remuneration as long-term incentive compensation. The performance-based share remuneration is composed of a variable portion intended to motivate the achievement of the Mid-term Plan "K27" and to strengthen the linkage between medium- to long-term performance and executive compensation, and a fixed portion intended to strengthen the alignment of interests with shareholders and other stakeholders through the promotion of share ownership.

Remuneration for Outside Directors currently consists solely of fixed monthly compensation. However, in addition to fulfilling their important role of providing oversight and advice from an independent standpoint, it is necessary for Outside Directors to strengthen oversight functions based on a medium- to long-term shareholder perspective rather than a short-term focus. In light of the roles expected of Outside Directors, the Company will vest, etc. Company Shares, etc. to Outside Directors as non-performance-based share remuneration (fixed portion), with the aim of strengthening the alignment of interests with stakeholders through the promotion of share ownership and providing appropriate incentives to support initiatives aimed at enhancing corporate value.

The Company's Board of Directors has decided on a policy for determining details of individual remuneration, etc. for the Directors, etc. (see pages 41 onward) and the Company believes that the revision to the details of the Plan is appropriate because it is in line with this policy.

Of note, the Company has established a Compensation Advisory Committee, which is chaired by an Independent Outside Director, and in which the majority of the members are Independent Outside Directors and Audit & Supervisory Board Members, to ensure the transparency and objectivity of the determination process regarding compensation for Directors and Executive Officers. The revision of the Plan has been reviewed at the Compensation Advisory Committee.

The Plan is to vest, etc. Company Shares, etc. to Directors, etc. separately from the proposal to revise the amount of compensation for Directors (up to 680 million yen per year, including up to 150 million yen per year for Outside Directors, excluding salary amounts, etc. to be paid to Directors who also serve as employees of the Company for their service as employees), which is submitted for approval under Proposal No. 5.

The number of Directors covered by the Plan will be nine (including five Outside Directors) at the close of this Annual General Meeting of Shareholders provided that Proposal No. 2 "Election of Nine (9) Directors" is approved as proposed. As stated above, the Plan also covers Executive Officers (the number of Executive Officers not concurrently serving as Directors who are covered by the Plan will be 26 provided that Proposal No. 2 is approved as proposed) and share remuneration based on the Plan includes share remuneration for Executive Officers. In consideration of the possibility that one or more of these Executive Officers will newly assume the office of Director during the covered period of the Trust (as defined in 2.(2) below), the Company proposes the amount and other terms and conditions of share remuneration based on the Plan as a whole in the form of share remuneration, etc. for Directors, etc. in this Proposal.

2. Amount and Other Terms and Conditions, etc. of Compensation, etc. under the Plan after Revision

(1) Outline of the Plan

The Plan is a performance share plan under which Company shares are acquired through a trust using money contributed by the Company and Company Shares, etc. are vested, etc. to Directors, etc. through the trust.

Item	Reference: Before the revision	The Plan after the revision (main parts subject to revision are underlined)	
(i) Persons eligible to be vested, etc. with Company Shares, etc. subject to this Proposal	<ul style="list-style-type: none"> • Directors, etc. of the Company (Inside Directors and Executive Officers) 	<ul style="list-style-type: none"> • Directors (<u>including Outside Directors</u>) and Executive Officers of the Company 	
(ii) Upper limit of money to be contributed by the Company (as stated in (2) below)	<ul style="list-style-type: none"> • 1,160 million yen per fiscal year • 4,640 million yen for the four fiscal years concerning the covered period under this Plan 	<ul style="list-style-type: none"> • <u>1,203 million yen</u> per fiscal year (of which <u>43 million yen</u> for <u>Outside Directors</u>) • <u>For the remaining two fiscal years of the covered period, 2,406 million yen</u> (of which <u>86 million yen</u> for <u>Outside Directors</u>) 	
(iii) Maximum number of Company shares to be vested, etc. to Directors, etc. and acquisition method of Company shares (as stated in (2) and (3) below)	<ul style="list-style-type: none"> • 181,000 points per fiscal year (equivalent to 181,000 shares) • 724,000 points for the four fiscal years concerning the covered period under this Plan (equivalent to 724,000 shares) 	<ul style="list-style-type: none"> • <u>187,100 points</u> per fiscal year (of which <u>6,100 points</u> for <u>Outside Directors</u>) • <u>For the remaining two fiscal years of the covered period, 374,200 points</u> (of which <u>12,200 points</u> for <u>Outside Directors</u>) <p>*1 point = 1 equivalent share *The percentage of the number of shares equivalent to the maximum number of points per fiscal year with respect to the total number of issued shares (as of December 31, 2025; after deducting treasury shares) is approximately 0.041%. *As Company shares are slated to be acquired from the stock market, there will be no dilution.</p>	
(iv) Conditions of achievement	<ul style="list-style-type: none"> • Varies between 0% and 200% depending on the outcome of initiatives/activities promoted in the mid-term plan, etc. • Indicators for the evaluation of the outcome of initiatives/activities by Directors, etc. during the covered period under this Plan consist of evaluation indicator of growth capability (e.g., sales/profit/EVA (Economic Value Added), etc. of business as a whole), evaluation indicator of ESG capability (e.g., evaluation based on external indicator) and evaluation indicator of management capability (e.g., Company employees' evaluation of management activities/TSR (Total Shareholder Return), etc.). 	<ul style="list-style-type: none"> • Same as left *Newly eligible Outside Directors will receive only the fixed portion and will not be subject to the variable portion described above. 	
(v) Timing at which Company Shares, etc. are vested, etc. (as stated in (4) below)	Variable portion* ¹	<ul style="list-style-type: none"> • After resignation of each Director, etc. • After the covered period (the fiscal years corresponding to the period of the mid-term plan) for foreign Directors, etc.*² 	<ul style="list-style-type: none"> • Same as left
	Fixed portion* ¹	<ul style="list-style-type: none"> • After the end of each fiscal year during the covered period. • However, Directors, etc., shall continue to hold Company shares 	<ul style="list-style-type: none"> • After the end of each fiscal year during the covered period. • <u>However, the Company's shares acquired as the fixed portion must be held by Inside Directors and</u>

		acquired as the fixed portion until the end of the covered period.*2	<u>Executive Officers until the end of the applicable period*2, and by Outside Directors until the time of their resignation.</u>
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**1 The composition ratio of share remuneration for Inside Directors and Executive Officers is 70% for the variable portion and 30% for the fixed portion. For Outside Directors, the composition is 100% fixed portion.*

**2 The covered period shall be the fiscal years corresponding to the period of the Company's Mid-term Plan (four fiscal years under the current Mid-term Plan).*

We will revise the maximum aggregate amount and number of points through implementation in connection with the addition of Outside Directors to the Plan. There are no changes to the content of the Plan as it applies to Inside Directors and Executive Officers.

(2) Upper Limit of Money to Be Contributed by the Company

The Plan shall cover the fiscal years corresponding to the period of the mid-term plan set forth by the Company ("covered period"). The current covered period shall be four fiscal years from the fiscal year ending December 31, 2024 to the fiscal year ending December 31, 2027 corresponding to the Mid-term Plan "K27", and in cases where the trust term has been extended, the fiscal years corresponding to the period of the mid-term plan set forth by the Company at that time shall be the covered period.

In each covered period, the Company will contribute money up to the amount equivalent to the amount calculated by multiplying the upper limit of the amount of trust money per fiscal year (i.e., 1,203 million yen, of which 43 million yen for Outside Directors) by the number of years in the trust term, as compensation, etc. for Directors, etc., and extend the trust whose term corresponds to the covered period, with beneficiaries being Directors, etc. who meet the requirements for beneficiaries ("Trust"). For the remaining two fiscal years of the current covered period, the upper limit shall be 2,406 million yen (of which 86 million yen for Outside Directors).

The Trust will acquire Company shares from the stock market using the entrusted money in accordance with the directions of the trust administrator. The Company will grant points (as stated in (3) below) to Directors, etc. each year during the covered period, and Company Shares, etc. equivalent to the number of points granted over a certain period determined in advance (as stated in (4) below) will be vested, etc. from the Trust.

Of note, in cases where the Trust is continued by modifying the trust agreement and entrusting additional money at the expiration of the term of the Trust, the Company will, for each extended trust term, make additional contributions within the amount equivalent to the amount calculated by multiplying the upper limit of the amount of trust money per fiscal year by the number of years in the trust term, and during the extended trust term, continue granting points to Directors, etc., and the Trust will continue the vesting, etc. of Company Shares, etc. during the extended trust term.

In cases where additional contributions are to be made in association with the extension of the trust term including the covered period, when there are any Company shares (excluding Company shares equivalent to points granted to Directors, etc. that are yet to be vested, etc.) and money remaining in the trust property (such remaining Company shares and money shall hereinafter be collectively referred to as "Residual Shares, etc.") as at the last day of the trust term prior to the extension, the sum of the amount of Residual Shares, etc. and the amount of additional money to be contributed shall be within the amount calculated by multiplying the upper limit of the amount of trust money per fiscal year by the number of years in the trust term.

In cases where modification of the trust agreement and entrustment of additional money are not performed at the expiry of the term of the Trust, no points will be granted to Directors, etc. thereafter; however, in cases where a Director, etc. who might meet the requirements for beneficiaries at that point in time holds office, the term of the Trust may be extended for a certain period of time until his/her resignation and the completion of the vesting, etc. of Company Shares, etc. to him/her.

(3) Calculation Method and Maximum Number of Company Shares to Be Vested, etc. to Directors, etc. (Including Company Shares Subject to Conversion into Cash)

Points prescribed in (i) and (ii) below will be granted to Directors, etc. as a precondition for the vesting, etc. of Company Shares, etc. However, with respect to Outside Directors, only the points specified in (ii) shall be granted. One point shall be equivalent to one Company share, and fractions less than one point will be disregarded; however, in cases where share split, consolidation of shares, etc. has been conducted during the trust term with respect to Company shares, the number of Company shares per point will be adjusted according to the share split ratio, share consolidation ratio, etc. of Company shares.

(i) Variable portion

To Directors, etc. who hold office on the last day of a fiscal year during the covered period (including Directors, etc. who resigned due to expiry of term of office or for other reasons on said day and Directors, etc. who died on said day), single fiscal-year points calculated by the following formula based on points that have been determined in advance with respect to each executive position (“Executive Position Points”) will be granted on said day. After the end of the covered period, the number of variable points is calculated by adding up the single fiscal-year points granted to Directors, etc., and then multiplying such cumulative total by the variation coefficient depending on the outcome of initiatives/activities promoted in the mid-term plan, etc. In addition, no variable points shall be granted to Outside Directors.

(Calculation formula of single fiscal-year points) Executive Position Points \times 70%

(Calculation formula of number of variable points) Cumulative total of single fiscal-year points during the covered period \times Variation coefficient ^{*1*2*3}

**1 The variation coefficient varies between 0% and 200% depending on the outcome of initiatives/activities promoted in the mid-term plan, etc. Of note, the evaluation indicators of the outcome of initiatives/activities, etc. by Directors, etc. during the current covered period consist of evaluation indicator of growth capability (e.g., sales/profit/EVA of business as a whole), evaluation indicator of ESG capability (e.g., evaluation based on external organizations) and evaluation indicator of management capability (e.g., Company employees’ evaluation of management activities/Total Shareholder Return (TSR)).*

**2 In cases where a Director, etc. resigns before the end of the covered period, the number of variable points will be calculated by adding together the single fiscal-year points granted up to that point in time and determining the variation coefficient based on the evaluation of his/her status of progress in terms of each evaluation indicator at such point in time.*

**3 In cases where a Director, etc. dies before the end of the covered period, the number of variable points will be calculated by adding together the single fiscal-year points granted up to that point in time and assuming that the variation coefficient is 100%.*

(ii) Fixed portion

To Directors, etc. who hold office on the last day of a fiscal year during the covered period (including Directors, etc. who resigned due to expiry of term of office or for other reasons on said day and Directors, etc. who died on said day), fixed points calculated by the following formula based on the Executive Position Points will be granted on said day.

(Calculation formula of number of fixed points)

Inside Directors and Executive Officers: Executive Position Points \times 30%

Outside Directors: Executive Position Points \times 100%

The total number of points to be granted to Directors, etc. shall be capped at 187,100 points (of which 6,100 points for Outside Directors) per fiscal year. Such maximum total number of points is set by using share price and other such factors as reference, in consideration of the aforementioned upper limit of the amount of trust money. The number of Company shares to be acquired by the Trust in the covered period (“Number of Shares to be Acquired”) shall be capped at the number of shares equivalent to the number calculated by multiplying the maximum total number of points per fiscal year by the number of years in the covered period. In addition, for the remaining two fiscal years of the current covered period, the upper limit shall be 374,200 points (of which 12,200 points for Outside Directors).

Of note, the Number of Shares to be Acquired in the case of the continuation of the Trust will be capped at the number of shares equivalent to the number calculated by multiplying the maximum total number of points per fiscal year by the number of years in the covered period.

(4) Method and Timing of Vesting, etc. of Company Shares, etc. to Directors, etc., and Outline of Other Conditions for Vesting of Shares

(i) Variable portion

The timing at which a Director, etc. will be vested, etc. with Company Shares, etc. pertaining to the variable portion will be after his/her resignation (after the covered period in the case of foreign Directors, etc.). The specific method and timing of vesting, etc. are as follows.

A Director, etc. who meets the requirements for beneficiaries shall, at a certain time after his/her resignation (after the covered period in the case of foreign Directors, etc.), be vested with Company shares corresponding to a certain ratio of the number of variable points (fractional shares will be rounded up), and after the conversion of Company shares corresponding to the number of remaining variable points (rounded up to the nearest whole unit) into cash within the Trust, receive payment of cash in the amount equivalent to the converted value of such Company shares.

However, in cases where the Company is unable to vest shares to Directors, etc. because they do not have a securities brokerage account that handles Japanese shares, Company shares corresponding to the number of variable points shall be converted into cash within the Trust, and such Directors, etc. shall receive payment of cash in the amount equivalent to the converted value of such Company shares.

(ii) Fixed portion

The timing at which Company Shares, etc. pertaining to the fixed portion are vested, etc. will be after the end of each fiscal year during the covered period. The specific method and timing of vesting, etc. are as follows.

Directors, etc. who meet the requirements for beneficiaries shall, at around May immediately after the end of each fiscal year during the covered period, be vested with Company shares corresponding to a certain ratio of the number of fixed points (fractional shares will be rounded up), and after the conversion of Company shares corresponding to the number of remaining fixed points into cash within the Trust, receive payment of cash in the amount equivalent to the converted value of such Company shares.

However, in cases where the Company is unable to vest its shares to Directors, etc. because they do not have a securities brokerage account that handles Japanese shares, Company shares corresponding to the number of fixed points shall be converted into cash within the Trust, and such Directors, etc. shall receive payment of cash in the amount equivalent to the converted value of such Company shares.

The Company’s shares acquired as the fixed portion must be held by Inside Directors and Executive Officers until the end of the covered period, and by Outside Directors until the time of their resignation.

In the event of the death of a Director, etc. who meets the requirements for beneficiaries during the trust term, Company shares that correspond to the cumulative total of the number of variable points calculated at the time of his/her death and the number of fixed points subject to the beneficiary admission procedures that commence after his/her death shall be converted into cash within the Trust and the heir of said Director, etc. shall receive payment of cash in the amount equivalent to the converted value of such Company shares from the Trust.

In the event of a serious violation of duties by a Director, etc., they must forfeit the right to receive both the variable and fixed portions of shares or the Company may demand the return of the equivalent of the performance shares already paid.

(5) Treatment of Dividends of Company Shares within the Trust

Dividends paid with respect to Company shares within the Trust will, after being received by the Trust, not only be allocated to pay for trust fees and trust expenses of the Trust, but also be reserved in the amount equivalent to the per-share dividend amount per point according to the number of points calculated by multiplying the cumulative total of single fiscal-year points of Directors, etc. as at the dividend record date by the variation coefficient, and paid to Directors, etc. together with Company Shares, etc. that are vested, etc. according to (4) above.

(6) Exercise of Voting Rights Related to Company Shares within the Trust

Voting rights related to Company shares within the Trust (Company shares before being vested, etc. to Directors, etc.) shall not be exercised during the trust term to ensure the neutrality of the Company's management.

(7) Other Details of the Plan

Other details of the Plan will be determined by the Board of Directors each time the trust agreement is modified and additional money is contributed to the Trust.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE IN FAVOR OF THIS PROPOSAL 4.

PROPOSAL 5: REVISION OF DIRECTORS' REMUNERATION

It was approved at the 101st Annual General Meeting of Shareholders held on June 28, 2007 that the maximum aggregate amount of remuneration, etc., to be paid to Directors of the Company be set at an annual amount of 630 million yen and at the 110th Annual General Meeting of Shareholders held on March 25, 2016, the maximum aggregate amount of remuneration, etc., to be paid to Outside Directors be set at an annual amount of 100 million yen (however, excluding salary amounts, etc. to be paid to Directors who also serve as employees of the Company for their service as employees).

The Company is promoting the Kao Group Mid-term Plan “K27” while continuously strengthening its governance. Under these management circumstances, the responsibilities of Directors have increased, and it is necessary to set an appropriate level of compensation in order to secure diverse human resources with outstanding insight and expertise. Accordingly, with reference to compensation levels at major manufacturing companies of similar size, industry, and business type to the Company, as well as companies with similar management strategy directions and business models, the Company proposes to revise the maximum aggregate amount of remuneration, etc. for Directors to be set at an annual amount of 680 million yen (Of which an annual amount of 150 million yen shall be for Outside Directors. However, excluding salary amounts, etc. to be paid to Directors who also serve as employees of the Company for their service as employees).

The Company’s Board of Directors has decided on a policy for determining details of individual remuneration, etc. for the Directors, etc. (see pages 41 onward) and the Company believes that the revision is appropriate because it is in line with this policy.

In order to ensure transparency and objectivity in the process of determining compensation for Directors and Executive Officers, the Company has established the Compensation Advisory Committee for Directors and Executive Officers, chaired by an Independent Outside Director and composed of a majority of Independent Outside Officers. This revision has been reviewed by the Compensation Advisory Committee for Directors and Executive Officers.

If Proposal No. 2 (Election of nine (9) Directors) is approved as proposed, the number of Directors will be nine (including five Outside Directors) as of the conclusion of this General Meeting of Shareholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE IN FAVOR OF THIS PROPOSAL 5.

BUSINESS REPORT

(From January 1, 2025 to December 31, 2025)

I. Current Condition of the Kao Group

1. Business Progress and Results

Please review the *Consolidated Financial Results for the Fiscal Year Ended December 31, 2025* at www.kao.com/global/en/investor-relations/library/results/.

2. Status of Capital Investments

The aggregate amount of capital investments, etc., for this fiscal year was 101.0 billion yen.

In the Global Consumer Care Business, in addition to the reinforcement, streamlining, maintenance and renewal, etc. of production and research facilities in each business, the Company restructured information systems. In the Hygiene Living Care Business, the Company reinforced both new and improved products, expanded production capacity and took other measures in Japan and overseas. In addition, at the Wakayama office, research facilities for the Fabric Care and Home Care areas have been completed.

In the Chemical Business, the Company has been expanding its production capacity mainly outside Japan through a range of measures, including the construction of new production facilities for tertiary amines in the United States to strengthen its stable supply system. The Company also conducted streamlining, maintenance and renewal of facilities, rebuilding of information systems, etc.

The aggregate amount of capital investments, etc. shown above includes investments in property, plant and equipment, right-of-use assets, and intangible assets, but increases in property, plant and equipment and right-of-use assets related to asset retirement obligations are not included.

3. Financing Status

The Company globally and effectively used Kao Group's capital to cover necessary operating activities and investing activities including capital investments.

The Company also issued corporate bonds and raised 25.0 billion yen to maintain an appropriate capital cost ratio and to strengthen its financial base for growth investments.

4. Issues for Management

Toward 2025, the global economy continued to face uncertainty due to geopolitical risks, changes in international conditions, and fluctuations in foreign exchange rates and prices. At the same time, both in Japan and overseas, a recovery in consumer activity and the emergence of new demand have been observed, resulting in a business environment in which opportunities and risks coexist. Under these circumstances, the Kao Group continues to be required to accurately capture changes in the business environment while achieving both profitability and growth, and to link these efforts to sustainable growth.

In order to respond to these demands, the Kao Group has been promoting structural reforms and growth strategies based on the Mid-term Plan "K27." Through initiatives undertaken to date, significant results have emerged, including improvements in profitability and capital efficiency, as well as the expansion of growth driver businesses. Going forward, it will be important to firmly connect these results to sustainable growth. To this end, we will further accelerate the development of "Global Sharp Top" businesses and flexibly promote initiatives based on strategic portfolio management.

In addition, the Kao Group has positioned the resolution of social issues at the core of its business activities and has provided high value-added products and services that are loved by consumers over the long term through

environmentally conscious *Yoki-Monozukuri*. The transition to a circular business model that we have been advancing is steadily progressing, and going forward, further deepening these initiatives will be an important theme in achieving both environmental value and economic value.

Furthermore, as global business expansion progresses, strengthening a stable earnings base and enhancing the ability to respond to change remain important challenges. Through investment in human capital and the advancement of organizational management, we will strengthen a management foundation equipped with swift decision-making and strong execution capabilities, and work to enhance the overall competitiveness of the Kao Group.

Through these initiatives, the Kao Group aims to enhance long-term corporate value with a view toward the final year of the Mid-term Plan “K27” and sustainable growth beyond it. We ask our shareholders for their continued understanding and support of the Group’s initiatives.

Kao Group Mid-term Plan “K27”

Vision
Protecting future lives

**Mid-term Plan
“K27”**

【K27 Basic Policy】

1. Become an essential company in a sustainable world
2. Transform to build robust business through investment
3. Maximize the power and potential of employees

Introduce ROIC company-wide, decisively implement structural reforms and aim to be a company that sustains
“Global Sharp Top”
businesses.

(Billion yen)	FY2023 Results	FY2024 Results	FY2025 Results	FY2026 Plan	FY2027 Targets
ROIC	4.1%	9.2%	9.7%	10.5%	11.0% or more
EVA	14.9	33.2	41.1	51.0	70.0 or more
Operating income	114.7*2	146.6	164.1	182.0	Record-high operating income (FY2019 211.7 bn)
Sales outside Japan*1	655.8	705.5	725.2	760.0	800.0 or more (Sales CAGR +4.3%)

*1 Based on the locations where the sales were recognized. *2 Core operating income



Progress during FY2025 and future plan

In the fiscal year under review, building on the results of the large-scale structural reforms implemented through the previous fiscal year, the Kao Group entered a year in which it fully rolled out its growth strategies. Following the momentum in FY2024, when key indicators of the Mid-term Plan “K27,” including Return on Invested Capital (ROIC), Economic Value Added (EVA), operating income, and sales outside Japan, exceeded the plan, we worked in FY2025 to solidify these results and transition them into sustainable growth.

Within the Growth Driver areas*, in the Cosmetics Business, we expanded marketing investments centered on the six priority brands and advanced the global rollout of high-value-added products. As a result, progress was made in achieving both sales growth and substantial improvement in profitability. In the skin protection businesses, product development tailored to regional market environments and demand trends proved effective, leading to improvements in brand recognition and the expansion of product lineups. In the Chemical Business, stable growth was maintained by strengthening supply systems in key markets and promoting the sales expansion of high-value-added products. In the Stable Earnings areas*, the Hygiene Living Care Business performed steadily, mainly in the domestic market. In particular, within the Fabric Care and Home Care Business in Japan, market-creating new value proposals and continuous product improvements expanded a customer base, resulting in increases in sales and market share. Through the enhancement of product value, strong brand power, and ongoing product improvements, we have maintained high profitability and cash flow generation, thereby supporting investment in the Growth Driver areas. In the Business Transformation areas*, structural reforms and brand rebuilding progressed, particularly in the Hair Care Business. Premium-priced products gained strong support from consumers, contributing to enhanced brand value and improved profitability. In addition, by advancing and accelerating development processes through the use of DX, we have enabled the continuous introduction of high-value-added products, leading to improvements in the sales mix. With regard to human capital investment, we continued focused and well-balanced investments to maximize employee vitality and expertise, while strengthening swift decision-making and execution capabilities through a scrum-type management approach. In addition, we have promoted business creation through co-creation with external partners, working to maximize the technological assets and know-how possessed by the Kao Group.

Looking ahead, we will firmly link the results accumulated through 2025 to further growth and accelerate initiatives toward the final year of the Mid-term Plan “K27.” Through the development of Global Sharp Top businesses and strategic portfolio management, we aim to achieve sustainable growth and enhance medium- to long-term corporate value.

*Stable Earnings: Fabric Care, Home Care, Personal Health; Growth Driver: Skin care, Cosmetics, Business Connected (Commercial-use hygiene products), Chemical; Business Transformation: Sanitary, Hair care

The Kao Group's initiatives on sustainability

Under the Mid-term Plan “K27,” the Kao Group has positioned becoming an indispensable company in a sustainable society as the core of its basic policy, and aims to achieve profitable global growth and enhance medium- to long-term corporate value. In other words, Kao's approach to sustainability is an initiative to promote the creation of environmental and social value in tandem with business growth, and, based on economic rationality, to establish sustainable competitive advantages and enhance corporate value. To ensure the steady and swift execution of these initiatives, the Company has established an execution structure centered on the ESG Committee chaired by the President and Chief Executive Officer, under the supervision of the Board of Directors. In addition, the Company has established an ESG External Advisory Board composed of external experts, incorporating outside perspectives to enhance the quality of its initiatives.

Under its ESG strategy, the “Kirei Lifestyle Plan”, the Kao Group will steadily advance initiatives toward sustainable growth through the creation of environmental and social value.

< Initiatives through the laundry detergent “Attack Zero”>

Environmental and Social Value

- Adoption of the world's first new surfactant, “Bio IOS”: Bio IOS is a surfactant independently developed to make effective use of resources. By effectively utilizing raw materials that had not previously been sufficiently utilized, it improves the utilization rate of oil palm fruit as a surfactant raw material.
- Improvement in cleaning performance and reduction of damage to clothing: Bio IOS has characteristics that achieve both ease of dissolving in water and ease of blending with oils, and therefore exhibits excellent cleaning performance even in small amounts. In addition, through design technology that effectively combines Bio IOS with high-performance agents, it also prevents the re-adhesion of soil, leaves no residue on clothing, and provides the value of making clothing last longer.
- Time savings, water savings, and energy savings: By reducing the number of rinse cycles from two to one, washing time is shortened, and approximately 26% water savings and approximately 33% energy savings per wash are possible*1.
- Reduction in plastic usage for containers and use of recycled PET: Through liquid concentration, plastic usage has been reduced by approximately 54% for the main container and approximately 64% for refill packs*2. In addition, 100% recycled PET is used for the material of the main container.
- Realization of decarbonization: Through a series of initiatives, including formulation design utilizing Bio IOS, liquid concentration, and water- and energy-saving design, “Attack Zero” has achieved a 23% reduction in carbon dioxide emissions across the entire life cycle*3.

Economic Value

- Category No.1 results: “Attack Zero,” launched in 2019, achieved No.1 in cumulative sales value in the liquid concentrated detergent category in the following year. After the 2022 improvement, market share expanded, and in 2025 sales increased to 106%*4 (year on year).
- Continuation as a long-selling product and top market share: The Attack brand continued to maintain the top market share in the laundry detergent market for more than 30 years, and this advantage has been further strengthened through the introduction of the ZERO series.



Kao will enhance economic value and corporate value by achieving both improvements in value delivered to consumers and environmental value through its proprietary technologies.

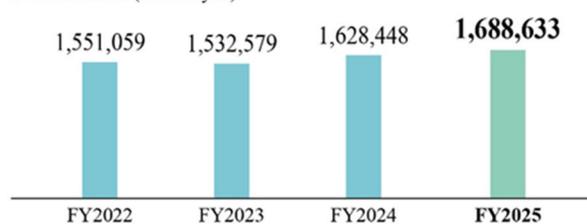
- *1: Based on measurement results under the Company's test conditions using a fully automatic washing machine (capacity: 8 kg), with a laundry load of 4 kg and water volume set at 47 L. When using the Company's conventional liquid detergent, water usage was 130 L and electricity consumption was 67 Wh with the rinse setting at two cycles, and water usage was 96 L and electricity consumption was 45.1 Wh with the rinse setting at one cycle.
- *2: Comparison with the conventional liquid detergent "Attack Anti-bacteria EX" (launched in 2023), per use.
- *3: Comparison with the conventional liquid detergent "Attack High Penetration Bio Gel" (launched in 2017), per use.
- *4: INTAGE SRI+, cumulative sales value from January 2025 to December 2025.

5. Transitions of Assets and Profits and Losses

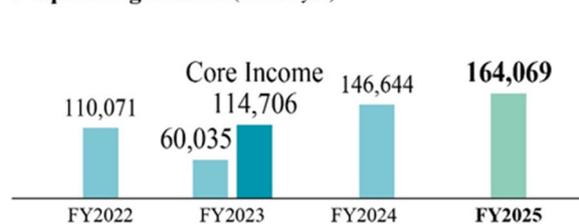
(million yen)

	FY2022	FY2023		FY2024	FY2025
Net sales	1,551,059	1,532,579		1,628,448	1,688,633
Operating income (Core operating income)	110,071	60,035	(114,706)	146,644	164,069
Income before income taxes (Core income before income taxes)	115,848	63,842	(118,513)	151,024	169,846
Net income (Core net income)	87,742	46,157	(88,262)	110,374	120,586
Net income attributable to owners of the parent (Core net income attributable to owners of the parent)	86,038	43,870	(85,975)	107,767	120,081
Total assets	1,726,350	1,769,514		1,867,237	1,875,054
Total equity	995,384	1,012,043		1,098,835	1,094,700
Basic earnings per share (Basic core earnings per share) (yen)	183.28	94.37	(184.95)	231.94	260.30

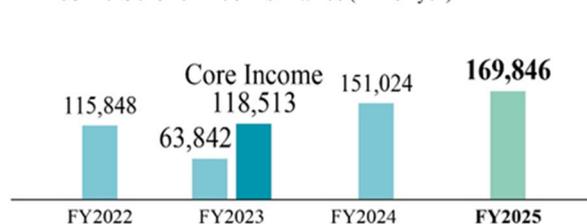
■ Net Sales (million yen)



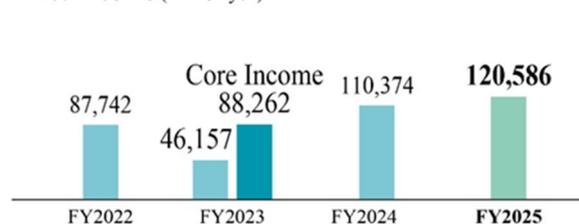
■ Operating Income (million yen)



■ Income before Income Taxes (million yen)



■ Net Income (million yen)



Notes:

- Income excluding one-time gains and losses arising due to non-recurring factors (such as gains and losses arising from business withdrawal or downsizing, or sale or disposal of assets) is presented as "core income" in the table above.
- Effective from FY2022, the Kao Group has adopted the Amendment to IFRS 16 "Leases," "Covid-19-Related Rent Concessions."
- Provisional accounting treatment for business combinations was finalized during the fiscal year ended December 31, 2024. Accordingly, the Consolidated Statement of Financial Position for the fiscal year ended December 31, 2023 have been retrospectively restated.

6. Main Businesses of the Kao Group (as of December 31, 2025)

Business Category		Main Products	
Global Consumer Care Business	Hygiene Living Care Business	Fabric care products	Laundry detergents, Fabric treatments
		Home care products	Kitchen cleaning products, House cleaning products, Paper cleaning products
		Sanitary products	Sanitary napkins, Baby diapers
	Health Beauty Care Business	Skin care products	Soaps, Facial cleansers, Body cleansers, UV care products
		Hair care products	Shampoos, Conditioners, Hair styling agents, Hair coloring agents, Men's products
		Personal health products	Bath additives, Oral care products, Thermo products
	Cosmetics Business	Cosmetics	Counseling cosmetics, Self-selection cosmetics
Business Connected Business	Commercial-use hygiene products, Life care products	Commercial-use hygiene products, Life care products	
Chemical Business	Oleo chemicals	Oleo chemicals, Fat and oil derivatives, Surfactants and blending products, Fragrances	
	Performance chemicals	Water-reducing admixture for concrete, Casting sand binders, Plastics additives, Process chemicals for various industries	
	Information materials	Toners / Toner binders, Inkjet ink colorants, Ink, Fine polishing agents and cleaner for hard disk, Materials and process chemicals for semiconductor	

7. Main Subsidiaries (as of December 31, 2025)

Name of Company	Capital Stock	Ratio of Voting Rights	Main Businesses
Kao Group Customer Marketing Co., Ltd.	JPY 10 million	100%	Hygiene Living Care, Health Beauty Care, Cosmetics, Business Connected, Control of counseling service companies of the Cosmetics Business in Japan
Kao Professional Services Co., Ltd.	JPY 60 million	100%	Business Connected
Kanebo Cosmetics Inc.	JPY 7,500 million	100%	Cosmetics
Kao Transport & Logistics Co., Ltd.	JPY 15 million	100%	Logistics-related operation in Japan
Kao (China) Holding Co., Ltd.	CNY 2,603,727 thousand	100%	Control of affiliates in the People's Republic of China, Cosmetics
Kao Corporation Shanghai	CNY 564,200 thousand	100%	Hygiene Living Care, Health Beauty Care, Cosmetics, Business Connected
Kao Commercial (Shanghai) Co., Ltd.	CNY 1,348,490 thousand	100%	Hygiene Living Care, Health Beauty Care, Cosmetics
Kanebo Cosmetics (China) Co., Ltd.	CNY 672,638 thousand	100%	Cosmetics
Kao (Shanghai) Chemical Industries Co., Ltd.	CNY 740,000 thousand	100%	Chemical
Kao (Taiwan) Corporation	TWD 597,300 thousand	92.2%	Hygiene Living Care, Health Beauty Care, Cosmetics, Business Connected, Chemical
Pilipinas Kao, Inc.	USD 91,435 thousand	100%	Chemical
Kao Industrial (Thailand) Co., Ltd.	THB 2,000,000 thousand	100%	Hygiene Living Care, Health Beauty Care, Cosmetics, Chemical
Fatty Chemical (Malaysia) Sdn. Bhd.	MYR 120,000 thousand	70%	Chemical
PT Kao Indonesia	IDR 1,796,206 million	50.01%	Hygiene Living Care, Health Beauty Care
Kao USA Inc.	USD 4	100%	Health Beauty Care, Cosmetics
Oribe Hair Care, LLC	USD 8,182 thousand	100%	Health Beauty Care
Kao America Inc.	USD 3,200 thousand	100%	Corporate services to affiliates in the United States and holding company of Chemical Business in the United States
Kao Specialties Americas LLC	USD 1	100%	Chemical
Washing Systems, LLC	USD 10	100%	Chemical
Kao Australia Pty. Limited	AUD 152,690 thousand	100%	Hygiene Living Care, Health Beauty Care
Kao Germany GmbH	EUR 25,000 thousand	100%	Health Beauty Care
Kao Manufacturing Germany GmbH	EUR 13,000 thousand	100%	Health Beauty Care
Kao Chemicals GmbH	EUR 9,101 thousand	100%	Chemical
Molton Brown Limited	GBP 516 thousand	100%	Cosmetics
Kao Chemicals Europe, S.L.	EUR 74,035 thousand	100%	Control of Chemical Business in Europe, etc.
Kao Corporation, S.A.	EUR 56,411 thousand	100%	Chemical

Note: The above ratio of voting rights has been calculated based on the total number of voting rights held by the Company and its subsidiaries.

8. Main Offices, Plants, Laboratories, and Subsidiaries (as of December 31, 2025)

(1) The Company

Name	Location
Head Office	Chuo-ku, Tokyo
Sumida Office	Sumida-ku, Tokyo
Osaka Office	Nishi-ku, Osaka-shi, Osaka
Odawara Office	Odawara-shi, Kanagawa
Sakata Plant	Sakata-shi, Yamagata
Tochigi Plant	Ichikai-machi, Haga-gun, Tochigi
Kashima Plant	Kamisu-shi, Ibaraki
Tokyo Plant (Incubation Center Tokyo)	Sumida-ku, Tokyo
Kawasaki Plant	Kawasaki-ku, Kawasaki-shi, Kanagawa
Toyohashi Plant	Toyohashi-shi, Aichi
Wakayama Plant	Wakayama-shi, Wakayama
Tochigi Research Laboratories	Ichikai-machi, Haga-gun, Tochigi
Tokyo Research Laboratories	Sumida-ku, Tokyo
Odawara Research Laboratories	Odawara-shi, Kanagawa
Wakayama Research Laboratories	Wakayama-shi, Wakayama

(2) Subsidiaries

1) Japan

Company	Location
Kao Group Customer Marketing Co., Ltd.	Chuo-ku, Tokyo (Head Office) and 8 regions
Kao Professional Services Co., Ltd.	Sumida-ku, Tokyo (Head Office) and 8 regional headquarter offices
Kanebo Cosmetics Inc.	Chuo-ku, Tokyo (Head Office)
Kao Transport & Logistics Co., Ltd.	Sumida-ku, Tokyo (Head Office) and 45 offices
Kao Cosmetic Products Odawara Co., Ltd.	Odawara-shi, Kanagawa (Head Office)
Kao Sanitary Products Ehime Co., Ltd.	Saijo-shi, Ehime (Head Office)

2) Outside Japan

Company	Location
Kao (China) Holding Co., Ltd.	Shanghai
Kao Corporation Shanghai	Shanghai
Kao Commercial (Shanghai) Co., Ltd.	Shanghai
Kanebo Cosmetics (China) Co., Ltd.	Shanghai
Kao (Shanghai) Chemical Industries Co., Ltd.	Shanghai
Kao (Taiwan) Corporation	New Taipei City
Pilipinas Kao, Inc.	Philippines
Kao Industrial (Thailand) Co., Ltd.	Thailand
Fatty Chemical (Malaysia) Sdn. Bhd.	Malaysia
PT Kao Indonesia	Indonesia
Kao USA Inc.	United States
Oribe Hair Care, LLC	United States
Kao America Inc.	United States
Kao Specialties Americas LLC	United States
Washing Systems, LLC	United States
Kao Australia Pty. Limited	Australia
Kao Germany GmbH	Germany
Kao Manufacturing Germany GmbH	Germany
Kao Chemicals GmbH	Germany
Molton Brown Limited	United Kingdom
Kao Chemicals Europe, S.L.	Spain
Kao Corporation, S.A.	Spain

9. Employees of the Kao Group (as of December 31, 2025)

Business Category	Number of Employees
Global Consumer Care Business	26,192
Hygiene Living Care Business	8,499
Health Beauty Care Business	7,521
Cosmetics Business	9,331
Business Connected Business	841
Chemical Business	4,068
Others	1,254
Total	31,514

Notes:

1. The employees above include full-time, indefinite-term, and non-permanent employees.
2. Of the above total number of employees, the number of the Company's employees is 7,761.

10. Main Lenders (as of December 31, 2025)

Not applicable

II. Shares of the Company (as of December 31, 2025)

1. Number of authorized shares: 1,000,000,000 shares

2. Number of issued shares: 453,600,000 shares

Note:

1. The Company retired 12,300,000 treasury shares in December 2025.
2. The number of issued shares includes 8,679 treasury shares.

3. Number of shareholders: 192,868

4. Major shareholders (Top 10)

Name / Company Name	Number of Shares (thousand shares)	Ratio of Shareholding (percentage)
The Master Trust Bank of Japan, Ltd. (Trust Account)	83,702	18.45
Custody Bank of Japan, Ltd. (Trust Account)	31,943	7.04
STATE STREET BANK AND TRUST COMPANY 505001	7,483	1.65
BNYM AS AGT/CLTS NON TREATY JASDEC	7,385	1.63
JAPAN SECURITIES FINANCE CO., LTD.	6,997	1.54
Oasis Opportunities Fund One SPC - ECHO SP	6,879	1.52
JPMORGAN CHASE BANK 385781	6,748	1.49
Nippon Life Insurance Company	6,691	1.48
BBH (LUX) FOR FIDELITY FUNDS - GLOBAL DIVIDEND POOL	6,010	1.32
Oasis Japan Strategic Fund Ltd.	5,791	1.28

Notes:

1. The number of shares in the list above may include the number of shares held in trusts or subject to share administration.
2. The ratio of shareholding for each shareholder above has been calculated based on the number of issued shares excluding treasury shares.

5. Number of shares issued to Directors as consideration for their duties during this fiscal year

Category	Number of Shares	Number of Persons Eligible
Directors (excluding Outside Directors)	7,600 shares	4 persons

III. Stock Acquisition Rights, etc., of the Company

Not applicable

IV. Directors and Audit & Supervisory Board Members of the Company

1. Status of Directors and Audit & Supervisory Board Members (as of December 31, 2025)

Title	Name	Duties at the Company and Other Material Position(s) Held
Representative Director, President and Chief Executive Officer	Yoshihiro Hasebe	Chairperson, The Kao Foundation for Arts and Sciences
Representative Director, Senior Managing Executive Officer	Masakazu Negoro	Responsible for Management Finance Unit
Representative Director, Senior Managing Executive Officer	Toru Nishiguchi	Responsible for Global Consumer Care Business, Global; President, Global Consumer Care, Asia
Director	Lisa MacCallum	Corporate Executive Fellow (Responsible for Corporate Branding), Founder and President, Inspired Companies Pty Ltd.; Non-Executive Director, Adani Energy Solutions Limited
Outside Director	Osamu Shinobe	Honorary Senior Advisor, ANA HOLDINGS INC.
Outside Director	Eriko Sakurai	Outside Director, Astellas Pharma Inc.; Outside Director, Hitachi, Ltd.
Outside Director	Takaaki Nishii	Outside Director, Daiichi Sankyo Company, Limited
Outside Director	Makoto Takashima	Chairman of the Board, Director, Sumitomo Mitsui Financial Group, Inc.
Outside Director	Sarah L. Casanova	External Director, Mitsui & Co., Ltd.; Outside Director, Yamaha Motor Co., Ltd.
Full-time Audit & Supervisory Board Member	Yasushi Wada	
Full-time Audit & Supervisory Board Member	Mami Murata	
Outside Audit & Supervisory Board Member	Nobuhiro Oka	Attorney-at-Law; Audit & Supervisory Board Member, Kao Group Customer Marketing Co., Ltd.; Outside Director, Yamatane Corporation; Professor, Keio University Law School
Outside Audit & Supervisory Board Member	Saeko Arai	Certified Public Accountant; President, Acuray, Inc.; Outside Audit & Supervisory Board Member, YKK CORPORATION; Independent Director, KONICA MINOLTA, INC.; Professor, Hakuoh University
Outside Audit & Supervisory Board Member	Junya Naito	Attorney-at-Law; Outside Director (Audit and Supervisory Committee Member), Mitsubishi UFJ Trust and Banking Corporation

Notes:

- Osamu Shinobe, Eriko Sakurai, Takaaki Nishii, Makoto Takashima, and Sarah L. Casanova are Outside Directors.
- Nobuhiro Oka, Saeko Arai, and Junya Naito are Outside Audit & Supervisory Board Members.
- Saeko Arai, who is qualified as a Certified Public Accountant, has considerable expertise in finance and accounting.
- The Company reported Osamu Shinobe, Eriko Sakurai, Takaaki Nishii, Makoto Takashima, Sarah L. Casanova, Nobuhiro Oka, Saeko Arai, and Junya Naito to the Tokyo Stock Exchange, Inc. as Independent Directors/Audit & Supervisory Board Members as set forth in the Regulations of the Tokyo Stock Exchange, Inc.
- Personnel changes in Directors and Audit & Supervisory Board Members during this fiscal year:
 - (1) Lisa MacCallum and Sarah L. Casanova were newly elected as Director and Mami Murata and Junya Naito were newly elected as Audit & Supervisory Board Member and took office at the 119th Annual General Meeting of Shareholders held on March 21, 2025.
 - (2) David J. Muenz, Director, Sadanao Kawashima, Full-time Audit & Supervisory Board Member and Hideki Amano, Outside Audit & Supervisory Board Member retired from office upon the expiration of their term at the conclusion of the 119th Annual General Meeting of Shareholders held on March 21, 2025.

6. *Lisa MacCallum, Director, had served as Non-Executive Director of Bond University Limited until May 12, 2025.*
7. *Osamu Shinobe, Outside Director, had served as Special Advisor of ANA HOLDINGS INC. until June 30, 2025. He has been serving as Honorary Senior Advisor of the company since July 1, 2025.*
8. *Eriko Sakurai, Outside Director, had served as Outside Director of Sumitomo Mitsui Financial Group, Inc. until June 27, 2025. She had also served as External Director of Nippon Sheet Glass Company, Limited until June 26, 2025.*
9. *Takaaki Nishii, Outside Director, had served as Senior Corporate Advisor of Ajinomoto Co., Inc. until June 24, 2025.*
10. *Makoto Takashima, Outside Director, had served as Chairman of the Board of Sumitomo Mitsui Banking Corporation until June 27, 2025.*
11. *Saeko Arai, Outside Audit & Supervisory Board Member, had served as Outside Director of Sumitomo Pharma Co., Ltd. until June 25, 2025.*

2. Summary of Liability Limitation Agreements

According to Article 427, Paragraph 1 of the Companies Act and Articles of Incorporation of the Company, the Company entered into an agreement with each Director (excluding Executive Director, etc.) and Audit & Supervisory Board Member to the effect that the liability of each Director (excluding Executive Director, etc.) or Audit & Supervisory Board Member under Article 423, Paragraph 1 of the Companies Act will be limited to the higher of: 10 million yen; or any amount prescribed by applicable laws and regulations.

3. Summary of Directors and Officers Liability Insurance

The Company has entered into a directors and officers liability insurance contract with an insurance company, as provided for in Article 430-3, Paragraph 1 of the Companies Act, insuring the Directors, Audit & Supervisory Board Members, and Executive Officers, etc., of the Company and the Kao Group. This contract covers compensation for damages and legal costs that may be incurred by the insured if they receive a claim for damages as a result of their actions (including omissions) committed by them in connection with their duties as officers, etc. of the Company and the Kao Group. However, the contract does not cover damages arising from actions taken by the insured with the knowledge that they were in violation of the law, so as not to impair the appropriate execution of duties by the insured. Insurance premiums are covered by the Company and the Kao Group.

4. Remuneration, etc., Paid to Directors and Audit & Supervisory Board Members

- (1) Purpose and Outline of Remuneration for Directors, Audit & Supervisory Board Members and Executive Officers
- The Company's compensation system for Directors, Audit & Supervisory Board Members and Executive Officers is aimed at i) securing and retaining diverse and excellent talent to establish and improve competitive advantages; ii) promoting prioritized measures for continuous increases in corporate value; and iii) sharing interests in common with shareholders.

Remuneration of Directors, other than Outside Directors, and Executive Officers consists of (a) a base salary, (b) a bonus as short-term incentive compensation, and (c) performance-based share incentive plan as long-term incentive compensation, and is designed to provide an impetus for continuing annual improvement in business results and medium-to-long-term growth. Linkage of remuneration to business results increases with rank and takes into account the responsibilities of each position and individual performance. An overview of the components of remuneration is as follows:

(a) Base salary

A base salary is paid as fixed monthly remuneration in an amount determined in accordance with duties as a Director or Executive Officer and rank.

(b) Bonus as short-term incentive compensation

When the bonus payment rate is paid at 100%, the bonus is set at 100% of the base salary for the President and CEO, 50% to 70% of the base salary for the Executive Officers with titles other than the CEO and 30% to 50% of the base salary for other Executive Officers. In order to achieve "profitable growth," the Company determines the bonus payment rate by looking at sales and profit results against the single-year target, improvement from the previous year's results, business results that reflect the achievement level of the single-year target EVA, which is a management index that the Company holds in high regard as an indicator to measure the degree of corporate value, and the results of individual evaluation. The bonus payment rate is set within a range of 0% to 200%.

The net sales, profit, and EVA targets have been made consistent between Directors, other than Outside Directors, and Executive Officers and employees so that they can work together to achieve them. In the process

of individual evaluation, the Company has put in place a process of evaluation by Outside Directors and Outside Audit & Supervisory Board Members to ensure objectivity and transparency of the evaluation.

The single-year targets for these evaluation indicators for the fiscal year under review were sales (sales calculated based on the accounting standards used before the adoption of IFRS 15) of 1,781.7 billion yen, profit (gross profit minus selling, general and administrative expenses) of 160.0 billion yen, with EVA single-year target of 37.9 billion yen. The actual results were sales of 1,806.4 billion yen, profit of 163.0 billion yen, and EVA of 41.1 billion yen. In addition to the above, the percentage improvement from the results of the previous fiscal year is used as an evaluation indicator for sales and profit. The rate of business performance-based remuneration based on these results for the fiscal year under review came in at 112.84%.

(c) Performance-based share incentive plan as long-term incentive compensation

With four years from 2024 to 2027 as the period applicable to the Mid-term Plan “K27,” the Company’s shares, etc., are delivered to Directors, other than Outside Directors, and Executive Officers based on factors such as the degree of achievement against the key performance targets adopted under “K27.” This performance-based share incentive plan consists of two parts: a variable portion in which Company shares, etc. are delivered in accordance with the degree of achievement against targets adopted under the mid-term plan, etc., and a fixed portion in which a certain number of Company shares, etc. are delivered annually. The purpose of the variable portion of the system is to provide an impetus for achieving the targets of the Company’s mid-term plan as well as to increase the link between performance and compensation over the medium to long term. The purpose of the fixed portion of the system is to strengthen shared interest with the Company’s shareholders by promoting the holding of shares by Directors, other than Outside Directors, and Executive Officers. The variable portion accounts for 70% of shares delivered, with the fixed portion accounting for 30%. When the variable coefficient for the variable portion of the system is 100%, the yearly share remuneration amount is set at approximately 30% to 100% of a base salary. In addition, in FY2026, when the fluctuation coefficient for the variable portion is 100%, the amount of share-based compensation per fiscal year is scheduled to be 30% to 125% of the basic compensation for each position. This revision will be implemented within the maximum amount of funds to be contributed by the Company that was approved by shareholders at the 118th Annual General Meeting of Shareholders held on March 22, 2024.

The variable portion is delivered after Directors, etc. retire (or after the applicable period for Directors with foreign nationalities, etc.) depending on the level of their achievement. The fixed portion is delivered after the end of each fiscal year. A certain proportion of the amount is delivered in the Company’s shares and the remainder is delivered in the amount of the Company’s shares cashed within the trust for delivering shares.

In calculating the variable coefficient, in order to promote “contributing to an ‘enriched sustainable society’ and growing the businesses of the company through proactive engagement in ESG activities and investment,” which is the goal of “K27,” “Business Growth Evaluation (degree of growth in overall business sales, profit, and EVA, etc.)”; “ESG Activities Evaluation (evaluation by external indicators, status of realization of internal indicators, etc.)”; and “Top Management Activities Evaluation (Total Shareholder Return (TSR) and evaluation of management activities by employees, etc.)” are used as evaluation indicators and evaluations are made based on the degree of achievement. The degree of achievement that is reflected in the variable portion will be determined within the range of 0% to 200% depending on the evaluation results of these indicators after the applicable period from 2024 to 2027.

Kao also has put in place a clawback provision, which allows the Company to reclaim the stock compensation paid through a resolution by the Board of Directors in the event that it had to correct its financial statements after filing them due to material misstatements or misconduct in accounting, or a Director or an Audit & Supervisory Board Member committed an act of disloyalty, for instance.

Evaluation indicators for the variable portion of the performance-based share incentive plan

	Evaluation indicator		Weight	Scale	Objective
Business Growth Evaluation	Degree of overall business growth, sales, profit, and EVA (ROIC)		40%	5-point scale	The degree of contribution to continued growth and sound financial management is evaluated.
ESG Activities Evaluation	Achievement level of KLP (Kao Kirei Lifestyle Plan) priority targets Decarbonization (CO ₂ emissions reduction rate), Zero Waste (Plastic recycling rate), Ratio of female managers, Number of serious compliance violations, etc.		25%	7-point scale	Solution to a variety of social issues and contribution to a sustainable society are evaluated from multiple perspectives.
	External evaluation results by major ESG rating agencies		15%	7-point scale	
Top Management Activities Evaluation	Relative TSR evaluation	Comparison with TOPIX (including dividends)	5%	7-point scale	The adequacy of corporate governance is evaluated.
		Comparison with benchmark companies	5%	7-point scale	
	Employee engagement survey results		10%	7-point scale	

The Company believes that the enhancement of social value and environmental conservation value accompanied by economic rationality leads to the long-term enhancement of Kao's corporate value. At the Company, with respect to the degree of achievement of key targets for ESG capability evaluation, the perspective of economic rationality has also been incorporated, and evaluation indicators reflecting this concept have been introduced and disseminated company-wide.

For the current fiscal year, compensation for Outside Directors and Audit & Supervisory Board Members, who hold a position independent from the Company's business execution function, is limited to a fixed monthly salary.

The Company has no retirement bonus system for Directors or Audit & Supervisory Board Members.

Subject to approval at this Annual General Meeting of Shareholders of Proposal No. 4, "Partial Revision of the Terms and Conditions of Performance Shares, etc. for Directors, etc." the Company will revise the remuneration for Outside Directors starting in FY2026 to make it consist of monthly fixed remuneration and non-performance-based share-based remuneration as long-term incentive remuneration. This revision is intended to strengthen the sharing of interests with stakeholders through the promotion of share ownership and to appropriately encourage initiatives aimed at increasing corporate value. Share-based remuneration will account for 20% of total remuneration.

(2) Process for Determining the Amount of Remuneration

The compensation system and compensation standards for the Directors and Executive Officers, including details of individual remuneration for the Directors are examined by the Compensation Advisory Committee for Directors and Executive Officers and determined by the Board of Directors. The Compensation Advisory Committee for Directors and Executive Officers comprises the Company's Representative Director, President and CEO, and all of the Company's Outside Directors. As such, over half of the Committee's members are independent. The chairperson is elected from among the Outside Directors.

Regarding determining individual compensation for Directors for the current fiscal year, the Compensation Advisory Committee for Directors and Executive Officers conducted a comprehensive review of the proposed plan, including its alignment with the objectives of the Company's executive remuneration policy, and submitted its recommendations. After reviewing and deliberating the committee's findings and recommendations, the Board of Directors confirmed that the remuneration structure is consistent with the stated objectives of executive remuneration, and has approved them.

The levels of compensation for Audit & Supervisory Board Members are determined through discussions by the Audit & Supervisory Board. Furthermore, the Company has established a Compensation Advisory Committee for Audit & Supervisory Board Members, and examines the validity and transparency in the decision-making process of compensation amounts for Audit & Supervisory Board Members from an objective perspective. The committee

is composed of all Outside Audit & Supervisory Board Members, the President and CEO, and one Outside Director. The chairperson is elected from among the Outside Audit & Supervisory Board Members.

The levels of compensation for Directors, Executive Officers, and Audit & Supervisory Board Members are determined each year after ascertaining the levels of other major manufacturers of a similar size, industry category, and business type to the Company and other companies that are comparable to the Company in terms of the direction of management strategies and business form, using officer compensation survey data from an external survey organization.

(3) Aggregate Amount of Remuneration, etc., Paid to Directors and Audit & Supervisory Board Members during this Fiscal Year

(million yen)

Category	Number of Members	Aggregate Amount of Remuneration, etc.	Components of Remuneration			
			Base Salary	Short-term Incentive Compensation (performance-based bonus)	Long-term Incentive Compensation (performance-based stock compensation)	
					Variable Portion	Fixed Portion
Directors (including, in parentheses, Outside Directors)	10 (5)	767 (92)	414 (92)	167 (-)	133 (-)	53 (-)
Audit & Supervisory Board Members (including, in parentheses, Outside Audit & Supervisory Board Members)	7 (4)	138 (53)	138 (53)	- (-)	- (-)	- (-)
Total (including, in parentheses, Outside Directors and Outside Audit & Supervisory Board Members)	17 (9)	905 (145)	552 (145)	167 (-)	133 (-)	53 (-)

Notes:

- The above numbers of Directors/Audit & Supervisory Board Members include one Inside Director, one Inside Audit & Supervisory Board Member, and one Outside Audit & Supervisory Board Member who resigned at the conclusion of this 119th Annual General Meeting of Shareholders held on March 21, 2025.
- Of the long-term incentive compensation (performance-based stock compensation), for foreign directors for whom it is not appropriate to grant shares due to the laws and regulations of their country of residence, an amount equivalent to long-term incentive compensation (performance-based stock compensation) is scheduled to be paid in cash. The variable portion of the long-term incentive compensation (performance-based stock compensation) will be finalized on the final year of the applicable period of four fiscal years from 2024 to 2027 of the Mid-term Plan "K27." As such, the variable portion equals the amount of provision for long-term incentive compensation recognized in the current fiscal year. For the variable portion paid to directors who retired during the fiscal year, the difference between the reversal of provisions from prior fiscal years based on the level of achievement in the annual review and the provision amount recorded for the current fiscal year is presented.
- The maximum amounts of remuneration, etc. are as follows:
 - Maximum aggregate amount of monetary remuneration, etc., to be paid to Directors:
An annual amount of 630 million yen (as resolved at the 101st Annual General Meeting of Shareholders held on June 28, 2007). The Company had 15 Directors (including two Outside Directors) at the conclusion of this Annual General Meeting of Shareholders. Such maximum aggregate amount includes the maximum annual amount of 100 million yen to be paid to Outside Directors (as resolved at the 110th Annual General Meeting of Shareholders held on March 25, 2016) but does not include the salary amounts, etc. to be paid to Directors who also serve as employees of the Company, for their service as employees. The Company had seven Directors (including three Outside Directors) at the conclusion of this Annual General Meeting of Shareholders.
Based on a resolution adopted at the 118th Annual General Meeting of Shareholders held on March 22, 2024, the Company has introduced a performance-based share incentive plan for its Directors (excluding Outside Directors) and its Executive Officers, which shall be applicable separately from the maximum aggregate amount of monetary remuneration, etc., for Directors. Under this share incentive plan, trust money of up to

- 4.64 billion yen is contributed during the fiscal years subject to the Company's mid-term plan (the initial period to be covered being the period of four fiscal years from the fiscal year ended December 31, 2024 to the fiscal year ending December 31, 2027), and the Company's shares are acquired through a trust and are then vested, etc., through the trust, based on the evaluation indicators consisting of Business Growth Evaluation indicators (such as the degree of growth in overall business sales, profit, and EVA), ESG Activities Evaluation indicators (status of realization of internal indicators and evaluation by external indicators), and Top Management Activities Evaluation indicators (TSR (Total Shareholder Return) and evaluation of management activities by the Company's employees etc.). The Company had four Directors (excluding Outside Directors) at the conclusion of this Annual General Meeting of Shareholders.*
- (2) Maximum aggregate amount of remuneration, etc., to be paid to Audit & Supervisory Board Members: An annual amount of 180 million yen (as resolved at the 118th Annual General Meeting of Shareholders held on March 22, 2024). The Company had five Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members) at the conclusion of this Annual General Meeting of Shareholders.*
- 4. Aggregate amount of remuneration, etc. paid to Outside Directors and Outside Audit & Supervisory Board Members by the Company's subsidiaries, etc., other than the aggregate amount of remuneration, etc. paid to Outside Directors and Outside Audit & Supervisory Board Members:*
- Remuneration paid to one Outside Audit & Supervisory Board Member for his service as an Audit & Supervisory Board Member of Kao Group Customer Marketing Co., Ltd. was 4 million yen.*

5. Outside Directors and Outside Audit & Supervisory Board Members

(1) Relationships between the Company and Entities where Outside Directors and Outside Audit & Supervisory Board Members Hold Positions

Title	Name	Material Position(s) Held	Relationship with the Company
Director	Osamu Shinobe	Honorary Senior Advisor, ANA HOLDINGS INC.	The Company has transactions related to the purchase of airline tickets; however, the amounts of such transactions account for less than 0.1% of ANA HOLDINGS INC.'s operating revenues and of the Company's net sales for the latest fiscal year, respectively.
Director	Eriko Sakurai	Outside Director, Astellas Pharma Inc.	No special relation
		Outside Director, Hitachi, Ltd.	The Company has transactions related to software maintenance, system support and related services; however, the amounts of such transactions account for less than 0.1% of Hitachi, Ltd.'s revenues and the Company's net sales for the latest fiscal year, respectively.
Director	Takaaki Nishii	Outside Director, Daiichi Sankyo Company, Limited	No special relation
Director	Makoto Takashima	Chairman of the Board, Director, Sumitomo Mitsui Financial Group, Inc.	No special relation
Director	Sarah L. Casanova	External Director, Mitsui & Co., Ltd.	The Company has transactions related to the purchase of raw materials; however, the amounts of such transactions account for less than 0.1% of Mitsui & Co., Ltd.'s revenue and less than 0.5% of the Company's net sales for the latest fiscal year, respectively.
		Outside Director, Yamaha Motor Co., Ltd.	No special relation
Audit & Supervisory Board Member	Nobuhiro Oka	Attorney-at-Law	No special relation
		Audit & Supervisory Board Member, Kao Group Customer Marketing Co., Ltd.	Kao Group Customer Marketing Co., Ltd. is a subsidiary of the Company.
		Outside Director, Yamatane Corporation	No special relation
		Professor, Keio University Law School	The Company has transactions related to lecture fees; however, the amounts of such transactions account for less than 0.1% of the university's income from education activities and the Company's net sales for the latest fiscal year, respectively.
Audit & Supervisory Board Member	Saeko Arai	Certified Public Accountant	No special relation
		President, Acuray, Inc.	No special relation
		Outside Audit & Supervisory Board Member, YKK CORPORATION	No special relation
		Independent Director, KONICA MINOLTA, INC.	No special relation
		Professor, Hakuoh University	No special relation
Audit & Supervisory Board Member	Junya Naito	Attorney-at-Law	No special relation
		Outside Director (Audit and Supervisory Committee Member), Mitsubishi UFJ Trust and Banking Corporation	The Company has transactions related to defined contribution pension plans; however, the amounts of such transactions accounted for less than 0.1% of Mitsubishi UFJ Trust and Banking Corporation's ordinary Income and the Company's net sales for the latest fiscal year, respectively.

Note:

- 1. The Company has no special relation with Sumitomo Mitsui Financial Group, Inc. where Eriko Sakurai had served as Outside Director until June 27, 2025. The Company has transactions related to the purchase of raw materials and patents with Sumitomo Mitsui Financial Group, Inc. where Eriko Sakurai had served as Outside Director until June 26, 2025, however, the amounts of such transactions account for less than 0.1% of Nippon Sheet Glass's revenue and the Company's net sales for the latest fiscal year, respectively.*
- 2. The Company has no special relation with Ajinomoto Co., Inc. where Takaaki Nishii had served as Senior Corporate Advisor until June 24, 2025.*
- 3. The Company regularly makes bank transactions with, and has loans from, Sumitomo Mitsui Banking Corporation where Makoto Takashima had served as Chairman of the Board until June 27, 2025; however, the amounts of such loans account for less than 2% of Sumitomo Banking Corporation's total assets and the Company's total assets for the latest fiscal year, respectively.*
- 4. The Company has no special relation with Sumitomo Pharma Co., Ltd. where Saeko Arai had served as Outside Director until June 25, 2025.*

(2) Principal Activities during This Fiscal Year

Title	Name	Attendance at Meetings of the Board of Directors	Attendance at Meetings of the Audit & Supervisory Board	Principal Activities and Outlines of Duties Performed in Relation to the Expected Roles
Director	Osamu Shinobe	15 out of 15 meetings	–	As the Chairperson of the Board, he contributed to the activation and the streamlining of the proceedings. Also, at meetings of the Board of Directors, he made comments principally based on his considerable experience as the top executive of a major global airline. He served as a member of the Committee for the Examination of the Nominees for Directors and Audit & Supervisory Board Members and as the chairperson of the Compensation Advisory Committee for Directors and Executive Officers.
Director	Eriko Sakurai	15 out of 15 meetings	–	At meetings of the Board of Directors, she made comments principally based on her considerable experience as the head of a global division and the regional head of a major U.S. chemical company. She served as the chairperson of the Committee for the Examination of the Nominees for Directors and Audit & Supervisory Board Members and as a member of the Compensation Advisory Committee for Directors and Executive Officers.
Director	Takaaki Nishii	15 out of 15 meetings	–	At meetings of the Board of Directors, he made comments principally based on his considerable experience as the top executive of a major global food and amino acid company. He served as a member of the Committee for the Examination of the Nominees for Directors and Audit & Supervisory Board Members and the Compensation Advisory Committee for Directors and Executive Officers.
Director	Makoto Takashima	15 out of 15 meetings	–	At meetings of the Board of Directors, he made comments principally based on his considerable experience as the top executive of a major global financial institution. He served as a member of the Committee for the Examination of the Nominees for Directors and Audit & Supervisory Board Members and the Compensation Advisory Committee for Directors and Executive Officers.
Director	Sarah L. Casanova	12 out of 12 meetings	–	At meetings of the Board of Directors, she made comments principally based on her considerable experience managing the Japanese Company of a major global restaurant chain. She served as a member of the Committee for the Examination of the Nominees for Directors and Audit & Supervisory Board Members and the Compensation Advisory Committee for Directors and Executive Officers.
Audit & Supervisory Board Member	Nobuhiro Oka	15 out of 15 meetings	10 out of 10 meetings	At meetings of the Board of Directors and meetings of the Audit & Supervisory Board, he made comments principally based on his professional opinion as an attorney-at-law and from a governance perspective.
Audit & Supervisory Board Member	Saeko Arai	15 out of 15 meetings	10 out of 10 meetings	At meetings of the Board of Directors and meetings of the Audit & Supervisory Board, she made comments principally based on her professional opinion as a Certified Public Accountant and from a governance perspective.
Audit & Supervisory Board Member	Junya Naito	12 out of 12 meetings	8 out of 8 meetings	At meetings of the Board of Directors and meetings of the Audit & Supervisory Board, he made comments principally based on his professional opinion as an attorney-at-law and from a governance perspective.

Note: During the current fiscal year, the Board of Directors held 15 meetings, and the Audit & Supervisory Board held 10 meetings. Since the appointment of Sarah L. Casanova as Director and Junya Naito as Audit & Supervisory Board Member, the Board of Directors has held 12 meetings, and the Audit & Supervisory Board has held 8 meetings.

(For Reference) Status of Executive Officers (as of January 1, 2026)

Title	Name	Duties at the Company and Other Material Position(s) Held
President and CEO	Yoshihiro Hasebe	Chairperson, The Kao Foundation for Arts and Sciences
Senior Managing Executive Officer	Masakazu Negoro	Responsible for Management Finance Unit
Senior Managing Executive Officer	Toru Nishiguchi	Responsible for Global Consumer Care Business, Global
Managing Executive Officer	Toshiteru Komatsu	Senior Vice President, Manufacturing and Engineering, Global; Responsible for TCR Promotion
Managing Executive Officer	Natsumi Hotta	Senior Vice President, Human Capital Strategy, Global; President, Kao Group Corporate Pension Fund; Chairperson of the Board, Kao America Inc.
Managing Executive Officer	Daisuke Hamada	Senior Vice President, Research and Development, Global;
Senior Executive Officer	Hideki Mamiya	Senior Vice President, Corporate Planning, Global
Senior Executive Officer	Yoshio Nakao	Vice President, Global Consumer Care, Japan; Responsible for Global Consumer Care - Global Sales, Global; Representative Director, President, Kao Group Customer Marketing Co., Ltd.
Senior Executive Officer	Motomitsu Hasumi	Senior Vice President, Product Quality Management, Global;
Senior Executive Officer	Hirimitsu Hoshikawa	President, Chemical Business, Global; Chairperson of the Board, Fatty Chemical (Malaysia) Sdn. Bhd.; Chairperson of the Board, Pilipinas Kao, Inc; Chairperson of the Board, Kao Chemicals Europe, S.L.
Senior Executive Officer	Tomoko Uchiyama	President, Global Consumer Care - Cosmetics Business, Global; Representative Director, President, Kanebo Cosmetics Inc.
Senior Executive Officer	Takatoshi Hatase	President, Global Consumer Care - Health Beauty Care Business, Global
Senior Executive Officer	Rie Haraoka	President, Global Consumer Care - Hygiene Living Care Business, Global
Executive Officer	Masaru Takeyasu	Vice President, Global Consumer Care, East Asia; Chairperson of the Board and President, Kao (China) Holding Co., Ltd.; Chairperson of the Board and President, Kao Corporation Shanghai; Chairperson of the Board, Kao Commercial (Shanghai) Co., Ltd.; Chairperson of the Board, Kanebo Cosmetics (China) Co., Ltd.;
Executive Officer	Naoshi Nakamoto	Senior Vice President, Procurement, Global
Executive Officer	Hideo Makino	Senior Vice President, Accounting and Finance, Global; President, Kao America Inc.
Executive Officer	Yasuo Toyoshima	Vice President, Product Quality Management, Global
Executive Officer	Akiko Hasegawa	Senior Vice President, Legal, Global
Executive Officer	Shinsuke Mori	Senior Vice President, Logistics, Global; Chief Logistics Officer
Executive Officer	Joe Workman	Vice President, Global Consumer Care, Americas and EMEA; Chairperson of the Board & President, Kao USA Inc.
Executive Officer	Mitsunori Saka	President, Global Consumer Care - Business Connected, Global; Responsible for Kao Professional Services Co., Ltd.
Executive Officer	Jun Kozuka	Vice President, Manufacturing and Engineering (Demand & Supply Planning, Strategy Planning), Global; Vice President, Manufacturing and Engineering - Manufacturing and Technology Development Center, Global
Executive Officer	Yuki Nomura	Senior Vice President, Strategic Public Relations, Global

Title	Name	Duties at the Company and Other Material Position(s) Held
Executive Officer	Junko Ohtani	Senior Vice President, ESG, Global
Executive Officer	Tetsuya Okano	Vice President, Research and Development - Business Development Research (Hygiene Living Care), Global; Vice President, Global Consumer Care - Hygiene Living Care Business - Fabric Home Care Product Business Development, Global
Executive Officer	Hiroshi Danjo	Vice President, Research and Development - Core Technology Research Center, Global
Executive Officer	Hirofumi Kuwahara	Senior Vice President, Digital Strategy, Global
Executive Officer	Yuichi Iwano	Vice President, Corporate Planning, Global; Assistant for Corporate Finance and Management
Executive Officer	Rebecca McBride	Vice President, Global Consumer Care - Americas and EMEA - AEMEA DX Marketing; Vice President, Global Consumer Care - Business DX, Global

V. Accounting Auditor of the Company

1. Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

2. Amount of Remuneration, etc., to be Paid to the Accounting Auditor for this Fiscal Year

- (1) Amount of remuneration, etc., to be paid by the Company as Accounting Auditor fees: 165 million yen
(2) Aggregate amount of monetary and other proprietary benefits to be paid by the Company and its subsidiaries: 229 million yen

Notes:

- 1. The audit contract between the Company and the Accounting Auditor does not clearly distinguish between remuneration, etc., paid for the audit conducted in accordance with the Companies Act from that paid for the audit conducted in accordance with the Financial Instruments and Exchange Act, and it is practically impossible to make such a distinction. The amount of remuneration, etc., specified in (1) above, is the aggregate amount of remuneration, etc., for these two types of audits.*
- 2. After having performed the necessary verification and holding discussions as to the appropriateness of matters such as the content of the Accounting Auditor's audit plan, the status of performance of duties by the Accounting Auditor, and the basis for the calculation of the estimated remuneration for the Accounting Auditor, the Audit & Supervisory Board determined that they were appropriate and has consented to the amount of remuneration, etc. to be paid to the Accounting Auditor.*
- 3. In addition to the audit certification services prescribed in Article 2.1 of the Certified Public Accountant Law, the Company entrusted the Accounting Auditor with other services such as the preparation of comfort letters in connection with the issuance of straight bonds.*
- 4. Of the Company's main subsidiaries, audits (limited to audits under the Companies Act or the Financial Instruments and Exchange Act and including audits under equivalent foreign laws and regulations) with respect to some overseas subsidiaries have been performed by certified public accountants or accounting firms other than the Company's Accounting Auditor (including those with equivalent foreign qualifications).*

3. Policy for Determining the Dismissal or Non-reappointment of the Accounting Auditor

If any item of Article 340, Paragraph 1 of the Companies Act is found to apply to the Accounting Auditor, the Audit & Supervisory Board will dismiss the Accounting Auditor with the consent of all Audit & Supervisory Board Members. In such case, the Audit & Supervisory Board Members selected by the Audit & Supervisory Board will report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders held after the dismissal. Furthermore, if the Audit & Supervisory Board finds any problem in the qualifications, independence, or reliability of the Accounting Auditor, the content of a proposal to be submitted to the General Meeting of Shareholders for dismissal or non-reappointment of the Accounting Auditor will be determined.

If the Board of Directors finds any problem, such as in the qualifications, independence, or reliability of the Accounting Auditor, the Board of Directors will request the Audit & Supervisory Board to cause the dismissal or non-reappointment of the Accounting Auditor to be proposed to the General Meeting of Shareholders, and the Audit & Supervisory Board shall decide upon the content of the relevant proposal to be submitted to the General Meeting of Shareholders after having determined the appropriateness of such matter.

VI. Systems to Ensure Appropriate Business Operations of the Company and Implementation of Such Systems

1. Systems to Assure Appropriate Business Operations of the Company

The Board of Directors made the following resolution with respect to the “Policy Regarding the Development of the Internal Control Systems” (revised January 1, 2023).

Basic Policy Regarding the Internal Control System

The Company has established an Internal Control Committee chaired by the President and Chief Executive Officer. An important task of the committee is to develop a management structure, organization and system that facilitates legally compliant, efficient, sound and highly transparent management that aims to consistently increase corporate value, and for this objective, the Company implements the following systems:

(1) A system to ensure that execution of duties of Directors and employees of the Company and its subsidiaries conforms to laws and the Articles of Incorporation

Directors, Executive Officers and employees of the Company and its subsidiaries (Kao Group) should act with integrity based on the “Kao Business Conduct Guidelines (BCG),” which governs compliance with laws, the Articles of Incorporation, internal rules and social ethics. The Compliance Committee, chaired by the Director or Executive Officer in charge of compliance, promotes Kao Group’s compliance as a whole. On the basis of the provision of BCG which declares Kao’s position to reject any relationship with anti-social forces, the Company promotes cooperation with governmental agencies, etc. and collection and management of information regarding anti-social forces and establishes and maintains its internal system. Monitoring by each department responsible for internal control and internal audit by the Department of Internal Audit as well as notices and reports to the Compliance Reporting Hotline from concerned parties inside and outside the Company enable Kao to quickly gauge the state of compliance, work to quickly resolve any issues that arise, and take appropriate steps to prevent the recurrence of similar cases.

(2) A system for retention and management of information concerning Directors’ execution of their duties

Information (minutes, decision records and their relevant materials, account books and records, and other information and the like) related to the Directors’ execution of their duties is properly retained and managed according to the document retention and management policies and other related policies. The Directors, Audit & Supervisory Board Members and employees designated by them may access such information at any time.

(3) Rules and other systems concerning management of risk of losses by the Company and its subsidiaries

With regard to the risk of losses, the Company regards potential negative impact on management targets and business activities as “risks” and the manifestation of such risks as a “crisis,” and has established systems for appropriate risk and crisis management. Based on the Risk and Crisis Management Policy, the Risk and Crisis Management Committee, chaired by the Director or Executive Officer in charge of risk and crisis management, ascertains the progress of cross-divisional Company-wide risk management and establishes a plan for the preparation and execution of risk and crisis management activities. Based on this policy and plan, departments concerned with risk and subsidiaries and affiliates appropriately manage risks by ascertaining and assessing them, formulating and implementing necessary countermeasures, and other activities. In addition, after deliberation by the Management Board, the President and Chief Executive Officer specifies major Company-wide risks as corporate risks and appoints a person to appropriately manage them. When a crisis occurs that arises from corporate risk, the Company responds promptly by establishing an organization for countermeasures centered on this person in charge for corporate risk. For other types of crises, an organization for countermeasures is set up within departments concerned with such risk or relevant subsidiaries or affiliates. In addition, depending on the magnitude of the impact on the Group as a whole, the Company also establishes a countermeasures headquarters with the President and Chief Executive Officer or other person as its general manager. Management of the abovementioned risks and crises is reported to and discussed at the Meeting of the Board of Directors or the Management Board on a regular basis as well as in a timely fashion whenever necessary.

(4) A system to ensure that Directors of the Company and its subsidiaries efficiently execute their duties

After determining the direction to be focused on in a mid-term business plan, the Board of Directors reflects such direction in the mid-term plans of each department and subsidiary. The mid-term plans are reviewed annually by the Board of Directors and the Management Board, and necessary adjustments are made in response to the progress of the plans and changes in the business environment. The Management Board reviews, monthly or whenever appropriate, the progress of the revenue and expenditure plan and other important business plans of each division and subsidiary, extracts the main issues and then implements measures in response. In order to separate supervision and execution functions and to ensure the effectiveness of these functions and to accelerate

execution, the decision rules for the Board of Directors and the Management Board including items that arise from subsidiaries are established and reviewed as necessary.

(5) A system to ensure the appropriateness of business operations in the Company and its subsidiaries

The Internal Control Committee and related committees promote various policies to make sure that the business activities of the Kao Group conform to laws and the respective Articles of Incorporation. In addition, they promote and monitor efforts to ensure the appropriateness and efficiency of business operations throughout the Kao Group, and report regularly to the Board of Directors. Representative Directors, Directors and Executive Officers in charge of business operations provide guidance for the development of appropriate internal control systems for subsidiaries, according to their respective duties.

(6) A system concerning reporting to the Company regarding execution of duties of Directors of the Company's subsidiaries

The Company applies the Group Management rules (Policy Manual) to all subsidiaries, which require prior approvals of or reporting to the Company. The Company requires them to gain prior approvals or make a report on important management matters to the Board of Directors, Management Board or the executive officer in charge of the subsidiary in accordance with such rules as well as the decision and reporting rules for the Board of Directors and Management Board. In addition, Directors of the Company's subsidiaries, regularly or as necessary, discuss or report to the periodic meetings held every month in principle and established by each business area or functional area which supports business. Also, the Department of Internal Audit and responsible divisions, regularly or as necessary, monitor the state of implementation of prior approvals or reporting based on the rules.

(7) A system to ensure the reliability of financial reports

In order to ensure the reliability of financial reports, the Company evaluates, improves and documents in writing the state of the Company's internal control system and the process of business operations based on the principles of the Internal Control Committee and the Board of Directors confirms these activities regularly.

(8) Employees to be assigned if Audit & Supervisory Board Members request staff to assist in their duties

In the event that a request is made by Audit & Supervisory Board Members for the assignment of staff to provide assistance to conduct their audits effectively, the Directors should assign employees after discussing the selection of specific personnel with the Audit & Supervisory Board Members.

(9) Independence of employees in the preceding paragraph from Directors and ensuring effectiveness of instruction by Audit & Supervisory Board Members to such employees

In the assignment, evaluation, transfer and disciplinary action of or to employees who assist in the duties of Audit & Supervisory Board Members, the prior consent of the Audit & Supervisory Board should be obtained. Instructions by the Audit & Supervisory Board to such employees should not be restricted unreasonably, and such employees must follow the instructions.

(10) A system for Directors, Executive Officers and employees of the Company and Directors, Auditors and employees, etc. of the Company's subsidiaries to report to Audit & Supervisory Board Members of the Company

Audit & Supervisory Board Members may attend meetings of the Management Board, the Internal Control Committee and related committees, and may access the minutes, decision records and other documents of important meetings at any time. They may also receive activity reports from the head of each division and subsidiary regularly or as necessary, and have periodic exchanges of views with Representative Directors of the Company and its subsidiaries and exchanges of views with Representative Directors of the Company's subsidiaries when conducting an audit. In addition, Directors, Executive Officers and employees of the Company and Directors, Auditors and employees of subsidiaries, etc. should promptly report to Audit & Supervisory Board Members when they become aware of any fact that may potentially cause significant harm to the Company or to Group companies, a serious violation of laws or the Articles of Incorporation or when they receive a report of any of the foregoing. The Compliance Committee reports information delivered to Compliance Hotline and Department of Internal Audit reports audit results to Audit & Supervisory Board Members regularly or as necessary. Auditors of subsidiaries share audit results with Audit & Supervisory Board Members of the Company at a regular meeting to exchange opinions among auditors of Kao Group.

(11) A system to ensure that those who make reports in the preceding paragraph shall not receive any disadvantageous treatment as a result of having made such report

Directors and employees of Kao Group who make reports to the Compliance Hotline or to Audit & Supervisory Board Members, etc. shall not receive any disadvantageous treatment as a result of having made such report in

good faith. The Company expressly prohibits any disadvantageous treatment in the Kao Business Conduct Guidelines and ensures compliance with this rule.

(12) Policy concerning payment or reimbursement of expenses pertaining to execution of duties by Audit & Supervisory Board Members including advance payment of expenses and reimbursement procedure, etc.

In the event of requests for appropriation to the fiscal year budget for the payment of expenses and other expenditures arising in the execution of the duties of Audit & Supervisory Board Members, a budget is accordingly provided. When expenses provided for in the budget arise, or when the necessity arises for the execution of non-budgeted emergency or additional auditing or other duties and Audit & Supervisory Board Members charge expenses pertaining to execution of their duties or debt disposal, the Company shall promptly accept such requests, except in the cases set forth in Article 388 of the Companies Act.

(13) A system to ensure that audits by Audit & Supervisory Board Members are conducted effectively

In order to conduct efficient and effective audits, Audit & Supervisory Board Members maintain a close cooperative relationship (including through exchanges of information) with the Accounting Auditor, Department of Internal Audit, internal auditing departments, as well as with auditors and internal auditing departments of the Group companies. In addition, Audit & Supervisory Board Members are entitled to hold meetings with Outside Directors to exchange information and opinions and independently receive support from outside specialists such as lawyers and certified public accountants when necessary.

(14) Implementation of a system to ensure the appropriateness of business operations

The Board of Directors conducts periodic reviews of the system to ensure the appropriateness of Kao Group's business operations, and includes the summary of the status of implementation in the business report.

2. Implementation of Systems to Ensure Appropriate Business Operations

Based on the "Policy Regarding the Development of the Internal Control Systems," the Company has established an Internal Control Committee chaired by the Representative Director, President and CEO to set up and properly operate its internal control system. Principal efforts made during this fiscal year, which are considered to be important in terms of internal control, include the following.

Efforts Concerning Compliance

The Compliance Committee, chaired by the Managing Executive Officer responsible for compliance, promotes and facilitates initiatives, involving both domestic and overseas Kao Group companies, such as by improving relevant regulations, including the Kao Business Conduct Guidelines (BCG), which is the code of conduct for implementing the Kao Way, as well as by carrying out educational and awareness activities and setting up and properly operating the Compliance Hotline. The following efforts are made in order to reduce material compliance risks.

- In the event of a compliance violation, the Company has implemented a thorough system to immediately report to the senior management or Audit & Supervisory Board Members. For all reported/consulted incidents, we confirm and assess how these incidents have been addressed, while taking into account the evaluation and suggestions, from a third-party perspective, of an outside attorney who attends the monthly Compliance Committee Secretariat Meeting as an advisor. For incidents that require special attention, we identify the incidents that could constitute material compliance violations and conduct a root cause analysis. We then implement countermeasures against these incidents in cooperation with the departments in which such potential compliance violations took place in a bid to prevent their recurrence. The Compliance Committee, which is convened quarterly, confirms the status of countermeasures taken by the departments in which the incidents took place or the departments that are principally in charge of the issues involved, to reduce the risk of similar incidents taking place in any other departments.
- The Compliance Hotline is put in place both outside (lawyers) and inside the Company. During the current fiscal year, we received 472 reports and consultations. For all reported and consulted incidents, we conducted fact-finding investigations into the incidents where investigations were requested, and resolved each incident one by one, while implementing necessary measures based on the awareness that there are issues that we should address to improve a workplace climate as the Company. We have also worked to foster an "open corporate climate" that makes it easier for people both inside and outside the Company to voice their opinions, thereby preventing the spread and prolongation of compliance violations.
- In an effort to prevent compliance violations, the Company issued a top message conveying zero tolerance for any human rights violations or harassment and its commitment to protecting employees, and the Chairperson of the Compliance Committee posted message posters emphasizing the importance of mutual respect. Further, a BCG verification test and compliance awareness survey were conducted on all global Kao Group employees (excluding temporary and part-time employees). In addition, the Company provides enlightening information on compliance case studies via the Kao Group's intranet.

- Tasks were identified based on the analysis of evaluation items obtained from the principal external evaluation organizations. The improvement measures for these tasks were added to future activity plans. Practical examples for 2025 include: (i) implementing a process to verify, after a certain period of time, whether the measures implemented by the department that experienced the compliance violation, following its root-cause analysis, have been effective, (ii) sharing the information about reported/consulted incidents, communicating the lessons learned from these incidents, and implementing activities to encourage the exchange of opinions among the employees within an organization so they can recognize the differences in opinions with others, (iii) creating and putting up posters themed on compliance in multiple languages as an effort to keep all employees informed of compliance information issued by the Company, and (iv) continuing to conduct self-evaluation on compliance activities to identify issues and consider measures to be taken to improve the situation in the future

Efforts Concerning Risk and Crisis Management

By defining risks that have a particularly large impact on management and require enhanced responses as “corporate risks,” we have determined the themes and owners of such risks (those responsible for addressing these themes: Executive Officers) at the Management Board. Specifically, in 2025, the Company worked to strengthen measures against corporate risks, including major earthquakes, natural disasters, and BCP; geopolitical risks; cyber-attacks; social issues; serious quality issues; reputation risks; and pandemic responses.

In addition, with respect to significant risks that could impede the achievement of the Mid-term Plan “K27,” the Company conducted risk surveys targeting divisions and domestic and overseas subsidiaries, as well as interviews with Members of Senior Management, to identify key risks related to the Global Sharp Top strategy. Based on these identified key risks and existing response frameworks, the Company determined the corporate risk themes and promotion structure for 2026.

Furthermore, the Company conducted a company-wide emergency response drill aimed at ensuring the independence of emergency response organizations in western Japan, centered in Wakayama, based on the assumption that, in the event of a major earthquake directly beneath the Tokyo metropolitan area, emergency response organizations headquartered in Tokyo would be unable to function for the long term. The Company continues to address issues identified through this drill.

Efforts Concerning Subsidiary Management

The executive officers in charge provide guidance on the establishment and operation of the internal control system to subsidiaries in accordance with the segregation of duties.

Overseas subsidiaries are required to internally share information concerning any material risks and the measures to be taken, at the time of management meetings at such subsidiaries. In addition, risks that may be identified by the respective subsidiaries based on instructions given by the Company are reported to the Company’s departments that are principally in charge of the matters involved, along with the measures to be taken.

At periodic meetings established based on the businesses and the functions for supporting such businesses, agenda items have been submitted and reports made whenever necessary, based on the criteria for submission of agenda items. In addition, the Company confirmed that proposals and reports have been made in accordance with regulations, etc., by receiving checklists from each department responsible for internal control and by conducting site visits by Internal Audit.

Regarding important matters of subsidiaries, agenda items were submitted and reports were made from subsidiaries to the Company whenever necessary, in accordance with the Subsidiary Management rules, known as the “Policy Manual,” that set forth matters for which the subsidiaries should obtain prior approval from or report to the Company. In view of the ongoing strengthening of the outside Japan business, the Company has further clarified relevant regulations and reorganized roles to enhance the effectiveness of subsidiary management. Based on the Policy Manual, all matters pointed out by Internal Audit are shared among directors and officers of the relevant subsidiaries, at the time of management meetings at such subsidiaries along with the measures to be taken and the results thereof and are reported to the Company’s departments that are principally in charge of the matters involved.

Results of activities by the Audit & Supervisory Board Members

The Audit & Supervisory Board seeks to enhance the transparency of audits and the effectiveness of dialogue with stakeholders by clearly presenting the audit policy of Kao and the Kao Group, as well as specific audit activities for the fiscal year.

1. Audit policy

The Kao Group aims to become a Global Sharp Top company by further advancing reforms to enhance earnings power toward achieving its Mid-term Plan “K27,” through *Yoki-Monozukuri* and maximizing employee vitality. After sharing management’s sense of urgency and the need to accelerate global growth, the Audit & Supervisory Board established a policy of conducting audit activities with due awareness of stakeholder requests and societal expectations, by confirming the status of execution of “K27” and responses to risks in the management environment.

<Particularly important points in Audit & Supervisory Board Members’ activities>

- Proactive expression of opinions

Audit & Supervisory Board Members proactively express their opinions regarding decision-making processes and resolutions at important meetings such as Board of Directors meetings and Management Board meetings. They also engage in active exchanges of views with Directors and Executive Officers on key auditing items.

- Dialogue with people on-site (*Genba*)

Through on-site audits and interviews at various divisions and group companies, Audit & Supervisory Board Members place importance on understanding the extent to which management strategies have been implemented, proactive initiatives, issues faced on-site, and requests directed toward management. Following on-site audits and interviews, Audit & Supervisory Board Members share their comments, categorized into guidance items, requests, advice, and best practices, so that they can reflect them in their respective initiatives. At least one Outside Audit & Supervisory Board Member participated in approximately 70% of such on-site audits and interviews.

2. Composition and execution of duties of the Audit & Supervisory Board

The Audit & Supervisory Board consists of five Audit & Supervisory Board Members (two Full-time Audit & Supervisory Board Members and three Outside Audit & Supervisory Board Members). Full-time Audit & Supervisory Board Members with extensive internal execution experience and diverse knowledge, together with Outside Audit & Supervisory Board Members possessing leadership experience and a high level of expertise and insight, share audit-related information as appropriate and deliberate from diverse perspectives. In addition, an Audit & Supervisory Board Office has been established directly under the Audit & Supervisory Board to assist Audit & Supervisory Board Members in the execution of their duties, and staff members concurrently serve as auditors of subsidiaries.

3. Deliberations by the Audit & Supervisory Board

Number of meetings held: 10	Attendance rate of Audit & Supervisory Board Members: 100% by all members	Duration: Average of two hours and fifteen minutes
18 resolutions	Audit policy, division of duties, key auditing items, annual plan, audit report, Audit & Supervisory Board regulations, internal control matters, Accounting Auditor matters (including agreement on remuneration, and deliberation on reappointment), appointment of Audit & Supervisory Board Members, etc.	
16 matters discussed	Audit findings, revision of the policy on selection of candidate Audit & Supervisory Board Members, revision of Audit & Supervisory Board regulations, key themes for exchange of opinions with Representative Directors and Outside Directors, semiannual reports on audit activities, enhancement of the effectiveness of overseas on-site audits and interviews, confirmation of the effectiveness evaluation process, etc.	

In addition to meeting agenda of the Audit & Supervisory Board, Audit & Supervisory Board Members exchange opinions freely on topics such as the skills of Audit & Supervisory Board Members, group governance, and the progress of management strategies.

<Evaluation of the effectiveness of the Audit & Supervisory Board>

Each year, evaluation items are established with a focus on key auditing items, and effectiveness is evaluated from multiple and objective perspectives. In addition to self-evaluations by each Audit & Supervisory Board Member, the opinions of Directors and other relevant parties are taken into consideration, and as a result of extensive discussions by the Audit & Supervisory Board, the overall evaluation for the fiscal year concluded that the Board is functioning effectively.

With respect to the status of execution of “K27,” particular attention was paid to the Cosmetics Business, which is positioned as a growth driver area. Through on-site audits and interviews, and important meetings, the Audit & Supervisory Board verified the extent to which growth strategies had been implemented on-site and the effectiveness of structural reforms. ROIC has become established not only in business divisions but also in functional divisions, and numerous examples of its application were confirmed. In addition, audit results based on the three types of audits

conducted over the past 15 years for audit target subsidiaries (90 companies) were carefully reviewed, and priority areas, businesses, and corresponding audit areas were shared with the Department of Internal Audit. Governance of overseas subsidiaries will continue to be closely monitored as an important theme in connection with global business expansion. Issues identified through this evaluation will be reflected in the next period's key auditing items in order to further enhance effectiveness.

4. Key auditing items, achievements and evaluation of effectiveness

Key auditing items	Audit method and efforts	Activity results and evaluation of effectiveness
Status of execution of duties by Directors and Executive Officers	Attend meetings of the Board of Directors to confirm the status of deliberations and resolutions, and express opinions if necessary	All Audit & Supervisory Board Members attended all meetings All of them actively expressed their opinions
	Attend important meetings such as the Management Board to confirm decision-making process, request explanations as necessary, and expressed opinions in a timely manner	Full-time Audit & Supervisory Board Members attended all Management Board meetings, ESG Committee meetings, and Internal Control Committee meetings, confirmed the decision-making process, and expressed opinions on matters requiring deliberation
	Active exchange of views with Directors of Kao and major Kao Group companies regarding key auditing items	Kao: Representative Directors (three times), Outside Directors (two times), Executive Officers with titles (four times) Important subsidiaries: Representative Directors (two times) <ul style="list-style-type: none"> With Representative Directors, exchanged opinions mainly on the status of execution of "K27" and awareness of issues related to area strategies With Outside Directors, had in-depth discussions on on-site issues and group governance issues identified through audits and interviews, and reported the results of such discussions to the Representative Directors
	On-site audits and interviews at worksites, divisions, domestic and overseas subsidiaries and affiliates (Also confirm key auditing items such as internal control.)	101 times <ul style="list-style-type: none"> Confirmed numerous examples of effective use of ROIC and workplace improvement actions based on the employee engagement survey Confirmed that Audit & Supervisory Board Members' comments contributed to improve the PDCA cycle
	Attend the Committee for the Examination of the Nominees for Directors and Audit & Supervisory Board Members, and Compensation Advisory Committee for Directors and Executive Officers	The responsible Outside Audit & Supervisory Board Members attended meetings (six times)
Effectiveness of Group governance	<ul style="list-style-type: none"> Systematize the Kao Group's structure of Audit & Supervisory Board (Kao, affiliates, and subsidiaries) Improve the effectiveness of auditing activities tailored to each company's characteristics, under the unified management of the Group 	<ul style="list-style-type: none"> Maintained a structure in which members of the Office of the Audit & Supervisory Board concurrently serve as auditors of subsidiaries At Group auditor opinion exchange meetings (three times), shared findings and issue awareness arising from audit activities and conducted training to enhance audit skills
	<ul style="list-style-type: none"> Exchange opinions between the Accounting Auditor, Audit & Supervisory Board Members and related departments Report accounting audit results of the Accounting Auditor to the Board of Directors 	<ul style="list-style-type: none"> Exchanged opinions (nine times), and reported to the Board of Directors meetings (three times) Audit plan, accounting audit results, key auditing items, non-assurance services management, audit quality, etc. Held meetings to exchange opinions on main audit issues with auditors for overseas subsidiaries

	meetings	
	Strengthen collaboration in three types of Audits (between the Audit & Supervisory Board Members, the Accounting Auditor, and the Department of Internal Audit)	Held three types of Audits meetings (three times) to share audit plans and key issues among each audit organization, thereby strengthening coordination and improving the effectiveness of audit activities
Development and operation of internal control	<ul style="list-style-type: none"> • Hold interviews with the departments in charge of the second line of internal control • Risk management and effectiveness of evaluations by the Internal Control Committee and major subordinate committees 	<ul style="list-style-type: none"> • Confirmed that the first defense line conducts self-assessments and that the second defense line monitors such assessments (quarterly or semi-annually) • Confirmed that a global quality governance framework and related quality assurance regulations have been developed and implemented based on the Three Defense Lines Model
	Collaboration with the Department of Internal Audit	<ul style="list-style-type: none"> • In addition to regular meetings (four times), requested the Head of the Department of Internal Audit to attend meetings of the Audit & Supervisory Board and shared findings and risk awareness
	Analysis of causes and evaluation of countermeasures for compliance incidents	While responses to significant compliance incidents were generally appropriate, advice was provided to further strengthen root-cause analysis and countermeasures by the second line
Proactive disclosure	Attendance at major meetings and confirmation of disclosure status during audits and interviews of related departments	Confirmed that IR, SR, and PR activities are coordinated and that information is disclosed strategically

For the Audit & Supervisory Board's effectiveness evaluation, please see the following website:

www.kao.com/content/dam/sites/kao/www-kao-com/global/en/corporate/policies/pdf/audit_2026.pdf

- End -