

Kao Group Mid-term Plan 2025

The Kao Group has developed the Kao Group Mid-term Plan 2025 (K25), covering the five-year period from fiscal 2021 to 2025, for the realization of an enriched sustainable world.

Thus far, the Kao Group has developed its business for nearly 130 years, mainly in the areas of cleanliness, beauty, and health, according to the changes of the times. Today, faced with compelling social issues such as the global pandemic and global environmental issues, the responsibilities and roles of companies are undergoing significant changes. For the future, the Kao Group will begin a new challenge with the aim of establishing an economy where all of the following are realized: the wholehearted satisfaction and enrichment of the lives of people globally and the sustainability of the world.

As part of this effort, we will aim to create a new business that is not an extension of a conventional business, but instead is in the new area of “Save lives, protect people”. This challenge involves starting an “Another Kao” business that contributes to solving people’s urgent problems by making the most of our core technology that we have not to date been able to use fully.

By contributing to an “enriched sustainable world” and growing the businesses of the company through proactive engagement in ESG activities and investment, the Kao Group will aim to be an essential company in a future world.

Outline of Kao Group Mid-term Plan K25

■ Vision

Sustainability as the only path

■ Concept

Kirei—Making Life Beautiful

■ Policy of the K25

Objective (1) Become an essential company in a sustainable world

Goal

Take leadership in a self-propelling sustainable society (ESG Investment = Reflection of future earnings)

Key Results

- Carbon recycling (Conversion of carbon dioxide into raw materials)
- Positive recycling (Creation of new business through re-use)
- Stop pandemic (Eradicate the source of infectious diseases)

Objective (2) Transform to build robust business through investment

Goal

Create another Kao and reinforce current Kao (Expand global business by focusing on saving lives)

Key Results

- New Business: Launch digital and precision healthcare business (high-precision bioanalysis and homeostasis enhancement solution)
- Current Business: Invest in outstanding products development and expand business
- Cosmetics Business, Sanitary Business: Pursue next innovation

Objective (3) Maximize the power and potential of employees

Goal

Double the productivity of our business activities (Make challenges visible and pursue open innovation)

Key Results

- Fair compensation according to challenge and contribution (implementation of OKR* globally)
- Active promotion of talent from outside Kao and doubling the results of collaboration
- Reform to become “digital Kao” to be completed by 2023

* Objectives and Key Results: New employee empowerment system to be launched in January 2021

As its commitment to become an ideal company, the Kao Group made a change of course toward ESG management in 2019. However, a self-propelling sustainable society cannot be realized by only one company. By taking up the challenge ourselves and working together with many like-minded others, we will grow as a company that contributes to the creation of a better society.

As a company that “saves future lives,” the Kao Group will start off with like-minded stakeholders.

● Please refer to related materials at

https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/investor-relations/pdf/presentations_fy2020_k25_01.pdf

About Kao

Kao creates high-value-added products that enrich the lives of consumers around the world. Through its portfolio of over 20 leading brands such as *Attack*, *Bioré*, *Goldwell*, *Jergens*, *John Frieda*, *Kanebo*, *Laurier*, *Merries* and *Molton Brown*, Kao is part of the everyday lives of people in Asia, Oceania, North America and Europe. Combined with its chemical division, which contributes to a wide range of industries, Kao generates about 1,500 billion yen in annual sales. Kao employs about 33,000 people worldwide and has 130 years of history in innovation. For more information, please visit the Kao Group website: <https://www.kao.com/global/en/>

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