

FOR IMMEDIATE RELEASE

July 5, 2021

Kao Group Revamps its Corporate Philosophy—the Kao Way

TOKYO, July 5, 2021 — Kao Corporation has revamped the corporate philosophy—the Kao Way—to realize Kao Group’s vision and maximize the vitality of every Kao member.

The Kao Way was established in 2004 and has been functioning as the explicit message of Kao Group’s corporate culture and beliefs based on experiences and guiding principles that the management and Kao members have cultivated since its inception. Since it was released as the cornerstone or basis of every Kao activity, all Kao members, as one team, have practiced the Kao Way, mainly in the areas of cleanliness, beauty, and health, according to the changes of the times.

In December 2020, the Kao Group released the Mid-term Plan K25. 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.

Today, faced with compelling social issues such as the pandemic and environmental issues, the responsibilities and roles of companies are undergoing significant changes. As a company aiming to be continuously essential in society, Kao must reform itself and keep evolving. The corporate philosophy—the Kao Way—has also evolved in response to this current transition by integrating environmental, social, and governance (ESG) perspectives such as a harmonious relationship between human beings and the earth, diversity, and inclusion, and making bolder moves, while maintaining its core values. In addition, the revamp project was carried out by a global team consisting of Kao members from various parts of the world, and the original text is presented in English to reach all global Kao members directly.

With the aim to continuously contribute to society in light of the drastically changing environment, as the Kao Group, we will resolutely challenge ourselves to enter new fields that we have not yet stepped into.

<Corporate Philosophy: Kao Way>



Mission

As one, we create a Kirei life for all - providing care and enrichment for the life of all people and the planet

As one Kao, we work together with passion to provide comprehensive care and enrichment to create a Kirei life – a cleaner, more beautiful, and healthier life for all people and the planet. Through innovation that provides excellent value, we share joy and create a safer, more harmonious world for all.

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.

Vision

To be closest to the individual and beyond their expectation

By deeply knowing and understanding our world and its people, we aim to improve people's lives beyond their expectations for a future where humans and nature thrive together.

Values

Integrity as the only choice

The Japanese word we use for “integrity,” seido wo ayumu, literally means “walk the right path.” This unique phrase comes from our founder, Tomiro Nagase. He taught us that good fortune is given only to those who work diligently and behave with integrity. We will always choose the path of integrity, even when it is not easy.

- We treat everyone with respect, fairness, and empathy and work with sincerity of purpose. This brings out the best in us as people and as one Kao. **Respect, fairness, empathy, and purpose**
- We do what is right, not what is easy. Lawful and ethical behavior is the foundation of the way we do business. **Lawful and ethical business**
- We take our corporate responsibilities seriously, creating safe, ethical, and high-quality products, brands, technologies, and solutions that serve society and protect our planet. **Corporate responsibility**

Yoki-Monozukuri in plan & action

In Japanese, “yoki” means good or excellent, and “monozukuri” means making or craftsmanship. For us, Yoki-Monozukuri means an excellent creation process that is good for everyone involved and enriches the lives of consumers and customers.

- We develop products, brands, technologies, and solutions that uniquely answer the needs of individuals, society, and the planet, today and tomorrow. **Answering needs**
- We excel at Yoki-Monozukuri because we unite the creativity and energy of every employee and team in our organization. Across all job roles and functions at Kao, we passionately commit to excellence in what we create. **Uniting abilities**
- We re-invest our profit and energy into serving individuals, society, and the planet with respect. This earns trust and ensures our sustainable growth. **Yoki-Monozukuri growth cycle**

Innovation for today & tomorrow

Innovation is a way of thinking. Our openness to new ideas has advanced our business since the days of our founder. Whether it is steady improvements, breakthrough technologies, or new ways of doing business and communicating the uniqueness of what we offer, we are committed to growth and change.

- We do not wait for groundbreaking innovation. We create distinctiveness in everything we do. In what we design, how we communicate, how we market, and all the ways we do business – we strive to be unique. **Create uniqueness**
- We serve people and societies that are constantly changing. We stay ahead of change by continuously improving and innovating what we make and how we work. **Stay ahead of change**
- We are curious and inventive, always open to new ideas and eager to solve new challenges. **Stay curious**
- Innovation is hard. When we struggle, we remember that hard times build resilience and accelerate individual and organizational growth. **Difficulties are opportunities**

Principles

We care for people & the planet

We believe that people and the planet are inextricably linked. We know we must consider this deep relationship carefully and holistically, and want our actions to result in a positive impact on both people (our consumers, our employees, and our business partners) AND the planet.

- Everything we do starts with the consumer. We develop products, brands, technologies, and solutions that enrich lives by staying close to the people we serve.

We stay close to the consumer

- Our employees are our greatest strength. We create inclusive workplaces where every person can develop to their potential as a professional and a human being.

Our employees are our greatest strength

- We respect and value our customers, suppliers, and business partners. We build strong relationships based on shared values and trust, working together for mutual success.

We build strong partnerships

- Recognizing that all people live on a shared planet that cannot directly voice its needs, we commit to equally taking both people's and the planet's perspectives into all our decision-making.

We take a holistic perspective

We think from the Genba

In *Japanese*, *genba* means the actual spot or on-site. At Kao, we believe that the deepest knowledge, best ideas and smartest decisions can be found in the Genba, both externally and internally. When in doubt, we go to the Genba.

- We discover what consumers and customers need and how they are using our products by going to the Genba to sense, experience, and understand first-hand.

We find knowledge and insight in the Genba

- To make the best business decisions, we actively listen to each other. We trust and value the experience and expertise of people in the Genba.

We decide with the Genba

- In a constantly changing business environment, we continually re-assess what we know, where we need to look, and how best to listen to the Genba.

We adapt with the Genba

We trust, respect, and need each other

- We treat everyone we encounter with respect and openness.

We respect everyone

- Embracing the world's diversity of cultures, nationalities, beliefs, races, genders, identities, and abilities makes business and society stronger and more beautiful. We respect and value all people in our organization, our business partners, and the communities we serve, just as they are.

We embrace diversity and inclusion

- We are stronger together. We work as one global team, removing barriers through open, honest communication, and collaboration across our organization.

We achieve more together

- We are constantly learning and are open to new ideas. We seek out diverse perspectives and new partnerships.

We are open to new ideas

We act with courage

- We know that taking action and standing still both carry risks. We choose the risk of action.

We choose the risk of action

- We challenge ourselves and our coworkers to set ambitious goals and take on difficult challenges to benefit society and the planet. We seek the unique joy that comes from these hard-won achievements.

We set ambitious goals

- To achieve ambitious goals, we need to take informed risks. If we fail, we reflect, learn, try again, and improve.

We persist

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 1,400 billion yen in annual sales. Kao employs about 33,000 people worldwide and has 130 years of history in innovation. Please visit the Kao Group website for updated information.

<https://www.kao.com/global/en/>

<Related Information>

■Kao Sustainability website

<https://www.kao.com/global/en/sustainability/>

■Kao launches new ESG Strategy “Kirei Lifestyle Plan” to support consumer lifestyle changes

<https://www.kao.com/global/en/news/sustainability/2019/20190422-001/>

■Kao’s New Challenges for the Future: Accelerating Purposeful Business Commitment with ESG

<https://www.kao.com/global/en/news/business-finance/2019/20190926-001/>