News Release



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FOR IMMEDIATE RELEASE

Kao Corporation

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Promoting Diversity, Equity & Inclusion (DE&I) Initiatives

Kao Accelerates Promotion of Women's Empowerment by Establishing and Expanding Its Child-care Support System

Giving women with young children a chance to continue building their careers

Starting January 2023, Kao Corporation will establish a mandatory paid child-care leave system as part of promoting the group's Diversity, Equity & Inclusion (DE&I) initiatives. Kao will also work to expand the flexibility of working hour for employees raising children. The company has been working to create a work environment and a corporate culture where employees can feel comfortable balancing work and child-care. Going forward, the company will continue promoting conditions under which employees can choose from a variety of work styles while sharing child-care responsibilities so that all parents can work with greater motivation toward building their careers. Details of the new and expanded child-care support system are as follows.

| Content | Purpose and Outline |
|--------------------------------------|---|
| Add mandatory paid leave for child - | To increase opportunities for men to be involved in |
| care to existing Maternity/Paternity | child-care, Kao will introduce a new system of ten days |
| leave | of paid child-care leave, mandatory and to be taken in |
| | full by both parents. |
| Expand flexibility of working-hour | To expand work style options, employees with young |
| for employees raising children | children will have the option of shortening work hours |
| | and days by up to four hours per day and up to three |
| | days per week until the end of April when the child |
| | reaches the age of one. |

Promoting DE&I to maximize the power and potential of Kao Group employees

Working towards one of the objectives of the Kao Group Mid-term Plan "K25" to "maximize the power and potential of employees", Kao is driving efforts in the development of people and in improving the working environment. One such measure is promoting DE&I, where everyone working at Kao is offered the necessary support to pursue a career and access to fair opportunities. At the same time, the company tries to foster an inclusive organizational culture in which all employees understand the significance of DE&I and can engage in healthy discussions in an unbiased environment.

In particular, Kao believes that women's empowerment is essential for the company to grow, given that diversity is one of the most crucial aspects of human capital. Based on this idea, Kao has put forth three priority actions to help incorporate diverse perspectives into its decision-making processes.

• Development of potential future leaders

Strengthen development from an equity perspective, such as training for selected female candidates, dispatching employees to study groups in other industries and holding round-table discussions with senior employees.

Support for balancing work and childcare to promote engagement

Offer expanded support systems for balancing a career and raising children and encouraging men to take child-rearing leave, so that women can work with fewer career interruptions.

• Provide management education for unbiased training and promotion opportunities

Implement unconscious bias training and other consciousness-raising approaches to eradicate gender-based divisions of labor.

Kao's new and expanded child-rearing support system is one of the initiatives related to the above priority actions. Normalizing fathers' help with child-rearing, eradicating a mindset tending toward gender-based divisions of labor among both employees and managers and offering flexible work styles enabling mothers to return to work soon after pausing for child care can help keep their career interruptions to a minimum during the time they are raising young children.

In April 2019, the Kao Group established the Kirei Lifestyle Plan, an ESG strategy. Since its start in 2021, the Kao Group Mid-term Plan 2025 (K25) has proclaimed "protecting future lives" and promoting "sustainability as the only path" as its vision. This initiative contributes to the key leadership action theme of "inclusive & diverse workplaces" in the Kirei Lifestyle Plan. The Kao Group will continue to integrate its ESG strategy into its management practices. It will also develop its business, provide better products and services for consumers and society, and work toward its purpose, "to realize a Kirei world in which all life lives in harmony."

* This news release is a translation of a Japanese-language news release dated Desember 26, 2022.

About the Kirei Lifestyle Plan

Over the past 130 years, Kao has worked to improve people's lives and help them realize more sustainable lifestyles—a Kirei Lifestyle. The Japanese word 'kirei' describes something that is clean, well-ordered and beautiful, all at the same time. The Kao Group established its ESG strategy, the Kirei Lifestyle Plan in April 2019, which is designed to deliver the vision of a gentler and more sustainable way of living. By 2030, Kao aims to empower at least 1 billion people, to enjoy more beautiful lives and have 100% of its products leave a full lifecycle environmental footprint that science says our natural world can safely absorb. For more information please, click the Kao Group sustainability website.

About Kao

Kao creates high-value-added products and services that provide care and enrichment for the life of all people and the planet. 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 business, which contributes to a wide range of industries, Kao generates about 1,420 billion yen in annual sales. Kao employs about 33,500 people worldwide and has 135 years of history in innovation. Please visit the Kao Group website for updated information.

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/

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