

March 27, 2026

To Whom It May Concern

Company Name: Kao Corporation

Representative: Yoshihiro Hasebe, Representative Director, President and CEO

(Ticker Code : 4452, Tokyo Stock Exchange Prime Market)

Notice Regarding the Date, Time, Venue, and Agenda of the Extraordinary General Meeting of Shareholders, and the Board of Directors' Opinion on the Shareholder Proposal

As announced in our release dated March 5, 2026, titled “Notice Regarding Shareholder Request for the Convocation of an Extraordinary General Meeting of Shareholders,” Kao Corporation (the “Company”) received a request for the convocation of an extraordinary general meeting of shareholders from Oasis Japan Strategic Fund Ltd. and Oasis Opportunities Fund One SPC - Echo SP (collectively, the “Requesting Shareholders”), who are shareholders of the Company.

In response, as announced in our release dated March 11, 2026, titled “Notice Regarding the Establishment of the Record Date for the Convocation of an Extraordinary General Meeting of Shareholders,” the Company set March 26, 2026 as the record date for the exercise of voting rights and stated that it was considering the convening of an extraordinary general meeting of shareholders (the “Extraordinary General Meeting”).

At the meeting of the Board of Directors, the Company resolved the date, time, venue, and agenda of the Extraordinary General Meeting (the “Shareholder Proposal”), as set forth below, and hereby announces as follows.

In addition, at the same meeting of the Board of Directors, the Company carefully considered and deliberated on the Shareholder Proposal and, as a result, unanimously resolved—including the votes of the outside directors—**to oppose the proposal.**

Details

1. Date, Time and Venue of the Extraordinary General Meeting of Shareholders
 - Date and Time: April 30, 2026 (Thursday), 10:00 a.m.
 - Venue: Seminar House, Sumida Office, Kao Corporation
(2-1-3 Bunka, Sumida-ku, Tokyo)

2. Agenda Items for the Extraordinary General Meeting of Shareholders
 - Matters to be Resolved
 - <Shareholder Proposal>
 - Proposal
 - Election of an Investigator to Examine the Company’s Operations and Financial Condition pursuant to Article 316, Paragraph 2 of the Companies Act

Details of the Proposal

As set forth in the attached document titled “Request for Convening an Extraordinary General Meeting of Shareholders.” The shareholder proposal document is reproduced in their original form.

[Opinion of the Company’s Board of Directors on the Shareholder Proposal]

The Company’s Board of Directors opposes the Shareholder Proposal.

The Board of Directors of Kao Corporation considers the views of all stakeholders and is responsible for acting in the best interests of the Company and its shareholders.

From this perspective, the Board of Directors received a report on the results of its review of the points raised by the Requesting Shareholders and, following deliberation, determined that no facts have been identified that indicate any material deficiencies in the Company’s internal control system. Accordingly, the Company has determined that there is no need to conduct any additional investigation by external experts at this time.

The Company operates with robust supply chain management processes, which include supply chain management initiatives and policies for the responsible procurement of raw materials, as well as human rights due diligence. The Company regards its initiatives related to environmental, social and governance (ESG) as an important management priority and conducts its business activities in accordance with its policies, which are based on international guidelines and frameworks such as the “United Nations Guiding Principles on Business and Human Rights.” ESG initiatives and supply chain management are implemented with full accountability by management, and are overseen by the Board of Directors, a majority of whose members are independent outside directors. The Board of Directors regularly receives reports on the progress of sustainability initiatives, the effectiveness of risk management systems within the supply chain, and the adequacy of related disclosures, and has requested improvements from management as necessary. The Company believes that ensuring the proper functioning of its risk management and internal control systems under this framework enhances corporate value and serves the long-term interests of its shareholders.

Importantly, the Company’s sustainability and supply chain management initiatives have received strong ratings by multiple external ESG assessment bodies, placing the Company above peer averages within the industry. There are no facts indicating any material deficiencies in the Company’s internal control systems.

Below, the Board sets forth its views on the points raised by the Requesting Shareholders.

Ensuring the effectiveness of supply chain management

The Company recognizes deforestation and human rights issues within its supply chain as major industry-wide risks and has established and continues to operate a management framework for responsible sourcing. The Company is committed to corporate responsibility across its operations and supply chain, including through its commitment to NDPE (No Deforestation, No Peat, No Exploitation) Policy. In light of these efforts, the Board has determined that the assumptions underlying the Shareholder Proposal do not accurately reflect the Company’s actual practices.

Based on its “Policies for Procurement,” and in line with the “Partnership Requirements for Suppliers,” “ESG Promotion Activities with Suppliers,” and “High-Risk Supply Chain Management and Sourcing,” the Company conducts environmental and human rights due diligence and ongoing monitoring. When issues are identified, the Company takes appropriate actions, including conducting detailed investigations and providing guidance for improvement. Where improvements are not confirmed, the Company may take measures, including the suspension of purchases. The Company confirms improvements through engagement with the supplier before resuming transactions. This approach aims to enhance the sustainability of the entire supply chain.

As a specific example demonstrating the effectiveness of this approach, when the IOI Group, a major supplier, had its RSPO certification suspended due to unauthorized land development and development on peatland, the Company fully suspended purchases of certified oil from the group, and suspended purchases of palm kernel oil except for the minimum volume necessary to maintain ongoing production. Thereafter, the Company continued its engagement and monitoring and resumed transactions after confirming the implementation of action plans for remediation.

With respect to the suppliers identified by the Requesting Shareholders, the Board of Directors has confirmed the relevant facts. Accordingly, the Company has no direct or indirect transactions involving palm oil or palm kernel oil with those suppliers, except for the Royal Golden Eagle (RGE) Group (as described below) and Felda/FGV Holdings (FGV). With regard to FGV, the Company does not source from the mills where issues were identified. The Company believes that maintaining relationships with suppliers while identifying sources where issues have been identified and requiring remediation contributes to enhancing the sustainability of the entire supply chain.

Regarding the RGE Group, the Company has established a joint venture with its subsidiary, Apical Group Limited, in which the Company holds a 35% equity interest. The Company, in its capacity as an equity holder, leverages governance influence to ensure compliance with ESG-related policies in the operation of the joint venture. Based on the principles of the Accountability Framework Initiative (AFi), the Company engages in ongoing dialogue not only with Apical Group Limited but also with its parent company, the RGE Group, to confirm the status of relevant matters and require improvements where necessary. Through this capital relationship, the Company is able to exert a more effective influence than would be possible through engagement with suppliers alone. In addition, the Company makes appropriate decisions, including whether to continue transactions, based on third-party assessments and external information, and continues to work to identify and mitigate risks within its supply chain.

The Board of Directors has determined that the Company's supply chain management system is operating effectively and has not identified any material deficiencies that would warrant the appointment of an investigator.

Design and Operation of the Grievance Mechanism

The Requesting Shareholders have asserted that the Company's grievance mechanism is limited in scope and not accessible to key stakeholders. The Board of Directors believes that this assertion does not fully reflect the purpose and structure of the Company's system.

The Company has established a multi-layered system for receiving grievances and reports across its supply chain. The "Kao Compliance Hotline" functions as a channel accessible to a wide range of stakeholders, including business partners within the supply chain, and reports and consultations are also accepted through various contact points within relevant departments. In addition, the Company has introduced the "Kao Grievance Mechanism" as a dedicated support channel for smallholders.

In the palm oil supply chain, smallholders are more likely to face environmental and human rights risks, while often lacking sufficient access to knowledge and technical resources for improving productivity and adopting sustainable agricultural practices. The Company recognizes that, in addressing such risks, reliance solely on certification schemes is insufficient, and that direct engagement on the ground and the establishment of accessible mechanisms are essential.

As a result, the Company has established the Kao Grievance Mechanism as a system that enables

smallholders in the upstream segment of the supply chain to access support directly in local languages. The Company has this mechanism in operation for independent smallholders in Indonesia and plans to expand its coverage to additional regions in a phased manner.

The mechanism accepts a broad range of inquiries, including not only issues related to environmental and human rights concerns, but also matters such as productivity improvement and farm management. It is therefore positioned not merely as a complaint-handling system, but as a framework for providing support tailored to local conditions.

Through this mechanism, the Company will continue to support the sustainable development of smallholders while enabling the early identification and prevention of risks within the supply chain.

Through these mechanisms, the Company continues to identify and mitigate risks in its supply chain and business operations by responding appropriately and implementing measures for remediation as necessary.

The Company continues to enhance the effectiveness of its risk management and internal controls through ongoing improvement, including the steady expansion of the grievance mechanism. The Board of Directors has determined that management's efforts are appropriate and will continue to oversee these efforts and monitor their progress on an ongoing basis.

Disclosure Policy on Supply Chain and Certification

The Requesting Shareholders have suggested that the Company does not disclose its suppliers for pulp and paper procurement. The pulp and paper supply chain is characterized by a multi-layered structure consisting of forestry operators, pulp manufacturers, paper manufacturers, and packaging material producers, among others. Therefore, in practice, and as seen across the industry, there are structural limitations to directly identifying and disclosing all suppliers down to the level of forestry operators.

Accordingly, the Company seeks to ensure responsible sourcing by securing traceability to forest sources, utilizing third-party certified materials such as those certified by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), and engaging with suppliers through dialogue and site visits to forests. In the pulp and paper sector, forest management and grievance handling are generally addressed through such certification actions, and the Company manages forest-related risks by leveraging these frameworks.

The Kao Group's certification rate for pulp and paper is 99.6% (FY2024 actual) and has been independently assured by KPMG AZSA Sustainability Co., Ltd. Within this, the FSC certification rate is 64% (FY2024 actual), and this information is disclosed through its responses to CDP (formerly the Carbon Disclosure Project).

It should be noted that approaches to disclosing supply chain information in the pulp and paper sector vary among companies. In addition to publishing supplier lists, some companies ensure transparency through alternative means such as disclosing the use of certified materials and traceability information. The Company will continue to enhance its disclosures regarding key suppliers and the procurement of certified materials, with a view to improving supply chain transparency.

The Requesting Shareholders also cite the Company's response to the CDP questionnaire, in which it states that "100% of revenue is dependent on palm oil and 71% to 80% is dependent on timber,"

and assert that these raw materials have a material impact on the Company's business.

Palm oil and timber are important raw materials used across several of the Company's business segments. However, the figures referenced in the CDP questionnaire reflect the proportion of revenue attributable to product categories that use these raw materials, and do not represent the actual usage volumes of the raw materials themselves or their share in total procurement. For example, palm oil accounts for approximately 20% of total raw material procurement. The Company's business is not reliant on any single raw material and is composed of a diverse range of products and raw materials.

The Company will continue to review its disclosure practices to further enhance supply chain transparency.

The Board of Directors has determined that the Company has established risk management and internal control frameworks under its oversight and is implementing continuous and effective initiatives to address supply chain-related challenges.

Governance Framework and Conflicts of Interest

The Requesting Shareholders assert that conflicts of interest exist, arguing that the Representative Director, President and CEO serves as Chair of the ESG Committee, oversees the compliance framework, and is a member of the Compensation Advisory Committee, and that ESG-related indicators are included in management's long-term incentive compensation. On this basis, they claim that a comprehensive investigation cannot be conducted.

While the Representative Director, President and CEO serves as Chair of the ESG Committee, the Committee provides semiannual reports to the Board of Directors, which is composed of a majority of outside directors, as well as reports on strategic policies, target setting, and progress against KPIs and related activities. The Committee is subject to effective oversight by the Board. In addition, the Board of Directors not only receives reports on ESG-related policies and targets but also has the authority to require corrective action where necessary, and has exercised such authority in practice.

In addition, the incorporation and evaluation of ESG-related KPIs in the compensation framework are conducted based on objective evaluation indicators (as detailed in the Company's Securities Report), and are reviewed annually by the Directors and Executive Officers Compensation Advisory Committee, which is composed of all five outside directors and the President and CEO, and subsequently approved by the Board of Directors, a majority of whose members are independent outside directors. When individual evaluations of the President and CEO are conducted by the Compensation Advisory Committee and the Board of Directors, the President and CEO refrains from providing opinions.

It should be noted that Mr. Hasebe, the Representative Director, President and CEO, was in charge of compliance only until December 31, 2020. Since assuming the role of President on January 1, 2021, the Company has adopted a structure under which a Managing Executive Officer serves as Chair of the Compliance Committee. Furthermore, with respect to reports involving directors, executive officers, or other senior personnel, such matters are immediately reported to the Audit & Supervisory Board members and the Chair of the Compliance Committee and are subject to appropriate investigation and response in accordance with established procedures.

The Board of Directors has determined that there are no deficiencies in the Company's governance framework and no relationships that would give rise to conflicts of interest.

In addition, the Company has an ESG External Advisory Board, composed of external experts, as a body that provides recommendations and advice in response to consultations from the ESG Committee. To further advance the Company's sustainability initiatives, the Company is strengthening the composition of its members and will establish a framework under which the Board receives reports and advice from this Advisory Board from an independent perspective. Through these efforts, the Company aims to further enhance the effectiveness of the Board's oversight.

Conclusion of the Board of Directors

The Board of Directors, including the independent outside directors, has concluded that there are no material issues with the Company's supply chain risk management framework, internal controls, or related disclosures as alleged by the Requesting Shareholders. The Board further believes that the concerns raised by the Requesting Shareholders, including potential reputational damage, disruption to the supply of raw materials, loss of consumer trust, and increased financing costs leading to impairment of the Company's long-term corporate value are not substantiated.

For these reasons, the Board of Directors has unanimously determined that there is no need to appoint an investigator to conduct an additional review.

Accordingly, the Board opposes the Shareholder Proposal.

It should be noted that the investigator system under Article 316, Paragraph 2 of the Companies Act is currently under review, including in reports issued by study groups of the Ministry of Economy, Trade and Industry. However, irrespective of the outcome of such discussions, the Company considers that the appointment of investigators is unnecessary, as described above, the Company's risk management and internal controls systems are functioning appropriately.

In light of this broader context, the Company believes that there is no reasonable basis for appointing an investigator as requested in the Shareholder Proposal.

Kao's Board of Directors takes all stakeholder input seriously and is committed to acting in the best interests of the Company and its shareholders. The Board of Directors will continue to ensure the effectiveness of its risk management and internal control systems, including those relating to the supply chain, while steadily advancing its mid-term management plan, "K27," and pursuing further growth. Through these efforts, the Company remains committed to engaging in constructive dialogue with shareholders while enhancing corporate and shareholder value and meeting the expectations of all stakeholders.

March 5, 2026

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Kao Corporation

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Oasis Japan Strategic Fund Ltd.
Director Phillip Meyer

Oasis Opportunities Fund One SPC – Echo SP
Director Phillip Meyer

Request for Convening an Extraordinary General Meeting of Shareholders

Oasis Japan Strategic Fund Ltd., and Oasis Opportunities Fund One SPC – Echo SP (collectively, the “Requesting Shareholders”) have continuously held voting rights representing at least three percent (3%) of the total voting rights of Kao Corporation (“Kao” or the “Company”) for at least six months. Pursuant to Article 297, Paragraph 1 of the Companies Act, the Requesting Shareholders hereby request that the Company convene an extraordinary general meeting of shareholders (the “EGM”), to be held within eight weeks from the Company’s receipt of this request.

In addition, the Requesting Shareholders request that the Company provide, in writing and by March 12, 2026, its planned dates for (i) the public notice of the record date, (ii) the dispatch of the notice of convocation, and (iii) the EGM. If the Company does not respond by that date, the Requesting Shareholders will understand that there is no prospect of the Company proceeding without delay with the convocation procedures for the EGM.

This request is being made to protect and enhance the Company’s long-term corporate value. The agenda item below seeks the appointment of independent investigators to assess whether there are defects in the Company’s risk management, internal controls and board oversight in relation to the Company’s supply-chain risks that could materially impact Kao’s brands, reputation, market access, and the execution of the Company’s K27 plan which was formulated as of August

2023.¹

I. **Matter to be Resolved at the General Meeting of Shareholders**

To appoint independent investigators to examine the Company's business and financial condition as provided for in Article 316, Paragraph 2 of the Companies Act, including potential failures of risk management, internal controls and board oversight relating to material issues in the Company's palm oil and paper / pulp supply chains (the "Investigation").

II. **Reasons for Convening**

A. Whistleblower allegations and independent report raise material questions about risk management and internal controls

Following the Requesting Shareholders' public campaign to elect highly qualified external directors to improve Kao's corporate value at last year's annual general meeting, the Requesting Shareholders received numerous whistleblower allegations including allegations relating to the Company's supply chain concerning human rights, deforestation and sustainability risks. To assess the validity of these allegations, the Requesting Shareholders commissioned an independent third-party environmental expert to review the allegations and related public information.

A summary research report titled "Assessment of Kao Corporation's No Deforestation, No Peat, No Exploitation ("NDPE") Policy and Implementation Summary Report" published at www.protectkao.com (the "Report"), identifies shortcomings in the Company's supply-chain risk management, which could materially impair Kao's future corporate value and growth prospects if not fully investigated and remedied.

The Requesting Shareholders are not asking shareholders to prejudge the allegations; rather, the Report indicates that an independent, shareholder-mandated fact-finding process is warranted to protect corporate value.

B. Allegations are material and concern raw materials that underpin 100% of Kao's

¹ Please see the Company's "*Management Strategy and Mid-term Plan 2027 (K27)*" <https://www.kao.com/global/en/corporate/strategy-and-mid-term-plan/> (last accessed: March 5, 2026). The Company's 2025 Integrated Report discusses their K27 plan starting at page 32, <https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/investor-relations/pdf/kao-reports-fy2025-en.pdf#page=32> (last accessed: March 5, 2026).

revenues

The matters raised by the Report are material to Kao's financials and corporate value due to Kao's dependence on sourcing palm oil and paper. Therefore, it is vital that the allegations be investigated.

According to the Company's 2024 Carbon Disclosure Project disclosures, 100% of the Company's revenue is dependent on palm oil, and between 71% and 80% of its revenue is dependent on paper products.² As such, if the Company's supply-chain controls are ineffective, this could have a material impact on Kao, including reputational harm, disruption of raw material supplies, and loss of market access, each of which would impact Kao's growth and ability to achieve its K27 plan.

C. Key issues identified in the Report

1. Alleged palm oil and paper / pulp supply-chain exposures to suppliers linked with deforestation and/or human rights controversies

The Report states that the Company may be directly or indirectly transacting with suppliers in its palm oil and forestry products supply chains that have been alleged to be, or have been, linked to deforestation and human rights violations. Examples cited in the Report include (among others) Royal Golden Eagle Group, Felda/FGV Holdings, Astra Agro Lestari, First Resources/Fangiono Group, PT Aceh Trumon Anugerah Kita, Citra Borneo Indah Group, Grupo Oleoflores, Abdi Budi Mulia and Pundi Lahan Khatulistiwa. The allegations surrounding these suppliers include the use of forced labor, large-scale deforestation, that their group companies are linked to abductions of local residents and clashes with villagers leading to a number of injuries amongst women and children.³

The Report notes that Kao may be an outlier among its peers because a number of other consumer products companies, both domestic and international, have reportedly suspended or restricted transactions with certain suppliers referenced in the Report, whereas Kao appears to have maintained or increased exposure.⁴

² Please refer to Palm Oil Section 1.22.13 and Timber products Section 1.22.13 in the Company's "2024 CDP Corporate Questionnaire 2024," <https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/cdp2024-001.pdf> (last accessed: March 5, 2026).

³ Please refer to Sections 2.1 – 7 of the Report on each of these suppliers and the Company's association with them, with citations to various public sources.

⁴ Please refer to Sections 1.3 and 2.1 – 7 of the Report with citations to various public sources.

2. Alleged weak grievance mechanism and limited stakeholder access

Strong and effective grievance mechanisms are vital in monitoring and ensuring supplier compliance throughout the supply-chain. The Report raises concerns that the Company's grievance mechanism for supply-chain compliance may be too narrow in scope.⁵ Kao has stated that its grievance mechanism covers 309 smallholders,⁶ however, based on the Requesting Shareholders' estimates for 2024, this may represent around only 6% of the Company's palm oil supply chain by volume. By contrast, many domestic and international peers operate publicly accessible grievance mechanisms that are open to all stakeholders and cover their full supply chains, enabling early detection, escalation and remediation of serious issues.

A grievance mechanism that is not accessible to all stakeholders can reduce the Company's ability to identify and address issues in the supply-chain before they become value-destructive public controversies.

The Report's concerns also intersect with governance and incentives. "Serious compliance violations" are a key performance metric within the Company's performance-based executive compensation framework.⁷ If the grievance and reporting system is constrained, the reliability of compliance-violation metrics used for incentive pay may be compromised, raising questions about pay-for-performance alignment and the quality of oversight by the board and Compensation Advisory Committee.

3. Alleged gaps in supply-chain disclosure and certification detail

Kao adopted a "No Deforestation, No Peat, No Exploitation" ("NDPE") policy to ensure its supply chain does not contribute to deforestation or human rights abuses in 2022, with its commitment to zero deforestation dating back even earlier. In 2019, the Company affirmed its support of achieving zero deforestation of habitats during the procurement of palm oil,

⁵ Please refer to Section 1.2 of the Report which describes the Company's grievance mechanism and its associated shortcomings against international standards and peer companies. An outline of Kao's grievance mechanism prepared by Caux Round Table Japan can be found at, <https://www.kao.com/content/dam/sites/kao/www-kao-com/jp/ja/corporate/sustainability/pdf/kao-grievance-mechanism.pdf> (last accessed: March 5, 2026).

⁶ Please see the Company's Palm Oil Dashboard, which can be found on its website at, <https://www.kao.com/global/en/sustainability/we/procurement/palm-dashboard/> (last accessed: March 5, 2026).

⁷ Please see, *Compensation System for Directors, Audit & Supervisory Board Members, and Executive Officers*, at <https://www.kao.com/global/en/corporate/policies/corporate-governance/compensation/> (last accessed: March 5, 2026).

paper and pulp, among other environmental goals, by 2020.⁸ The Accountability Framework Initiative (“AFI”) and other benchmarks of international best practice emphasize transparency on high-risk commodity supply chains, including disclosure of pulp and paper suppliers. The Report states that, unlike many international peers, the Company does not disclose its pulp and paper suppliers as recommended by the AFI.⁹ In addition, while the Company has stated that 99.6% of the pulp and paper used in its household products is certified, the Report indicates that the Company does not provide sufficient detail on the breakdown between certification schemes or how the Company assures compliance with its stated NDPE commitments.¹⁰

Without full disclosure, investors cannot assess whether risk controls are appropriate or whether reported outcomes are independently verifiable.

D. Why these allegations pose a threat to Kao’s long-term corporate value

If proven to be true and unremedied, the allegations above could be severely damaging for Kao’s corporate value because:

1. Kao is a consumer products group whose long-term earnings power depends heavily on brand trust, and ineffective supply chain monitoring could thus impact Kao’s ability to achieve its K27 plan.

As part of its K27 plan, Kao has emphasized international growth with disclosures highlighting U.S. and European expansion and particularly mentioning retail distribution gains for Bioré UV, ORIBE’s direct-to-consumer growth, and a plan to expand the Curél brand by targeting pharmacies across Europe.¹¹

However, these plans could be threatened by inadequate or ineffective supply chain monitoring, particularly in light of tightening global regulations. The EU Deforestation

⁸ Please see the Company’s 2019 Sustainability Report, “*Kao Sustainability Data Book 2019*,” <https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sustainability2019-e-all.pdf> (last accessed: March 5, 2026).

⁹ Please refer to Section 1.7 of the Report which discusses the Company’s lack of transparency regarding its supplier lists for pulp and paper.

¹⁰ Please see Section 1.5 of the Report and the Company’s 2025 Sustainability Report, “*Sustainability Report 2025*,” [sustainability2025-e-all.pdf](https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sustainability2025-e-all.pdf) (last accessed: March 5, 2026).

¹¹ Please see the Company’s 2025 Integrated Report which discusses the strategy for these brands, <https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/investor-relations/pdf/kao-reports-fy2025-en.pdf#page=32> (last accessed: March 5, 2026). See also “*Kao Group Cosmetics Business Growth Strategy Briefing Q&A Session Summary*” at page 5, discussing targeting pharmacies for Curél’s expansion in Europe, <https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/investor-relations/pdf/kao-ir2025-02-qa-en.pdf> (last accessed: March 5, 2026).

Regulation reflects EU consumer expectations for trusted consumer brands, and in addition, will likely increase regulatory risk. Supply chains with links to deforestation ultimately could lose access to the European market on top of the increased reputational brand risk of association with suppliers engaged in poor labor and sustainability practices.

Additionally, Kao's growth initiatives depend on maintaining brand trust and on strong relationships with retailers, pharmacies and e-commerce platforms, many of which apply stringent expectations regarding deforestation- and human-rights-related supply-chain controls for commodities like palm oil and paper. Accordingly, if the allegations and risk-control gaps described in the Report are substantiated and remain unremedied, the resulting reputational and compliance risks could directly undermine the Company's ability to secure and expand distribution, delay or constrain product rollouts, and impair the execution of the Company's growth strategy in these markets. Moreover, investments in these growth areas would be a waste of company assets unless underpinned by strong compliance.

2. Kao's management framework and internal controls may not be operating effectively, and/or the Company's public disclosures could be viewed as incomplete or misleading which could lead to further incidents.

If the matters raised in the Report are accurate and remain unaddressed, there is a risk that (i) the Company's risk management framework and internal controls are not operating effectively, and/or (ii) the Company's public disclosures could be viewed as incomplete or misleading. This can undermine investor confidence and require restatements that would damage management's credibility.

E. An independent, shareholder-mandated investigation is necessary and proportionate to prevent further damage

Given the potential financial materiality of these issues, shareholders need an independent assessment of whether the Company's risk management, internal controls and board oversight are effective in practice.

An investigation by independent investigators appointed by shareholders under Article 316, Paragraph 2 of the Companies Act can provide a credible fact-finding team to assess Kao's internal controls, investigate the allegations, identify further potential breaches, clarify whether corrective actions are required, and help restore confidence for investors, customers and other stakeholders. The requested investigation is designed to be proportionate and to minimize burden on the Company. It is time-bound, focused on material risk and disclosure

controls, and requires the investigators to consider costs and resource allocation so as not to cause significant adverse effects on corporate value. Further, to limit financial impact, the Requesting Shareholders undertake to compensate the investigators for any portion of investigation costs that exceeds reasonable compensation to be borne by the Company (see Section III.4 below).

The Requesting Shareholders do not believe that the Company can investigate itself, as they have identified conflicts of interest that could compromise a comprehensive investigation. These conflicts of interest include:

- President Hasebe heads and is responsible for the ESG Managing Committee, which is also responsible for overseeing the Company's compliance, and he also sits on the Compensation Committee; and
- both management and President Hasebe's long-term stock-based compensation include significant portions that are linked to ESG metrics, the validity and accuracy of which are the subject of the Investigation.¹²

When the executive responsible for ESG performance controls how that performance is defined, measured, and reported, and oversees compliance generally, shareholders cannot rely on internal processes for an objective assessment.

F. An independent investigation will increase Kao's corporate value

Regardless of the outcome, independent fact-finding can be value-supportive. If the Company's controls are found to be robust, the Investigation can validate the Company's systems and strengthen stakeholder trust. If weaknesses are identified, a clear diagnosis and recommendations can enable timely remediation, reduce the risk of future controversies, and support sustainable improvement in corporate value. For these reasons, the Requesting Shareholders believe that a vote FOR this proposal is warranted and aligned with the long-term interests of the Company and its shareholders.

¹² A significant portion of Management's long-term stock-based compensation, especially that of President Hasebe, is tied to ESG metrics including "Number of Serious Compliance Violations" and "Results of Evaluations from Major ESG Assessment Bodies" and as such they may have a bias against identifying any compliance failures. Thus, there is a potential conflict of interest and therefore an independent investigation team should be established. Please see, *Compensation System for Directors, Audit & Supervisory Board Members, and Executive Officers*, at <https://www.kao.com/global/en/corporate/policies/corporate-governance/compensation/> (last accessed: March 5, 2026).

Therefore, we request the convening of an extraordinary general meeting of shareholders in order to appoint an investigator to examine the business and financial status of the company as stipulated in Article 316, Paragraph 2 of the Companies Act.

III. Summary of Proposal

1. Investigators to examine the Company's business and financial condition

To investigate the matters described in the Purpose of Investigation section below, Mr. Maekawa, Mr. Kusuda and Mr. Carr-Howard※ shall be appointed as the investigators to examine the Company's business and financial condition as stipulated in Article 316, Paragraph 2 of the Companies Act (the "Investigators"). The appointment of the Investigators shall take effect upon the approval and passage of this proposal, and no separate agreement with the Company is required.

Name (Date of Birth)	Brief Biography, Position and Responsibilities, and Significant Concurrent Positions	
Akira Maekawa October 9, 1972	April 1999	Registered as Attorney (Dai-Ichi Tokyo Bar Association), joined Okamura General Law Office
	February 2006	Financial Securities Inspector at the Kanto Local Finance Bureau of the Ministry of Finance
	January 2008	Joined Masuda Partners Law Office
	August 2009	Established the Akira Maekawa Law Office
	February 2011	Joined Iota Law Office
	April 2016	Vice President, Dai-ichi Tokyo Bar Association (until March 2017)
	June 2021	Auditor, Kanagawa Shinkin Bank (current position)
	<u>Significant Concurrent Positions:</u> Partner, Iota Law Office Auditor, Kanagawa Shinkin Bank	

※Mr. Maekawa does not hold any shares in the Company.

Name (Date of Birth)	Brief Biography, Position and Responsibilities, and Significant Concurrent Positions	
Shinji Kusuda September 21, 1979	April 2005	Joined Nomura Securities Co., Ltd.(formerly Lehman Brothers Japan Inc.)
	December 2013	Registered as Attorney (Dai-Ichi Tokyo Bar Association), joined O'Melveny & Myers LLP
	April 2014	Director, Tsuzuki International Scholarship Foundation (current position)
	April 2018	Adjunct Professor, Keio University (current position)
	October 2025	Established the Hillford Law Office
<u>Significant Concurrent Positions:</u> Managing Partner, Hillford Law Office Director, Tsuzuki International Scholarship Foundation Adjunct Professor, Keio University		

※Mr. Kusuda does not hold any shares in the Company.

Name (Date of Birth)	Brief Biography, Position and Responsibilities, and Significant Concurrent Positions	
Maxwell Carr-Howard April 30, 1966	1996	Registered as Attorney, served as a Judicial Law Clerk for the United States District Court, District of New Mexico
	1999	Assistant United States Attorney, U.S. Department of Justice
	2002	Partner, Husch Blackwell LLP
	2013	Partner, Dentons US LLP

	<u>Significant Concurrent Positions:</u> Partner, Dentons US LLP
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※Mr. Carr-Howard does not hold any shares in the Company.

2. Purpose of Investigation

The purpose of the Investigation is to:

- (a) assess the adequacy and effectiveness of the Company’s risk management, internal controls and board oversight relating to palm oil and paper / pulp supply-chain risks raised by the Report and any other information made available to the Investigators;
- (b) assess the completeness and reliability of related sustainability, supply-chain and compliance disclosures;
- (c) assess whether any weaknesses identified could reasonably be expected to be material to the Company’s business and financial condition, including through impacts on brand equity, market access and the execution of the Company’s growth strategy in key markets outside Japan (including the United States and Europe); and
- (d) compile an Investigation Report summarizing findings, conclusions and recommendations for corrective actions (if any).

3. Method of Investigation and Reporting

- (a) The Investigators shall conduct the Investigation independently from both the Company and the Requesting Shareholders.
- (b) The Investigation period shall be three months from the date the Investigators are appointed by the EGM; provided, however, that the period may be extended within a reasonable range not to exceed an additional three months if the Investigators deem it reasonably necessary.
- (c) By the end of the Investigation period, the Investigators shall conduct the necessary Investigation, submit a written report to the Company (the “Investigation Report”) and publicly release the Investigation Report. The Investigators shall also describe the results of the Investigation Report at the first general meeting of shareholders held after its release.
- (d) The Investigators may request disclosure or submission of documents and other

materials deemed necessary for the Investigation from the Company's officers and any other relevant parties, and may request its officers to prepare reports on matters deemed necessary for the Investigation. The Company's officers may not refuse such requests.

- (e) If the Company's officers, employees or other related parties do not cooperate with the Investigation, refuse or obstruct the Investigation, or if the Investigators or their assistants are directly or indirectly pressured by the Company, the Investigators shall describe such circumstances in the Investigation Report.
- (f) The Investigators may, as necessary, conduct interviews with the Company's officers and employees to determine the scope of the Investigation (the "Investigation Scope").
- (g) The Investigation Scope shall be necessary and sufficient to achieve the purpose for which the Investigators were appointed. The Investigators may, at their discretion, expand, modify, or otherwise alter the investigation scope as necessary, and in such cases, shall explain the relevant circumstances in the Investigation Report.
- (h) In determining the Investigation Scope, the Investigators shall consider the Company's costs and resource allocation so as not to cause any significant adverse effects on the Company's corporate value.
- (i) The Investigators may appoint external experts or other parties as investigation assistants and may charge the Company for their reasonable expenses.

4. Compensation

- (a) The Company shall compensate the Investigators (including daily allowances for the Investigators and their assistants) for the Investigation within a reasonable range. If the Investigators or their assistants claim compensation based on appropriate time charges for their usual work, such compensation shall be deemed reasonable.
- (b) If the Company refuses to pay all or part of the compensation for the Investigation claimed by the Investigators, the Requesting Shareholders shall compensate the Investigators for the unpaid portion.

IV. Reasons for the Proposal

The Report raises serious material questions regarding the Company's supply-chain risk management, internal controls and related disclosures. If weaknesses are not promptly identified and addressed, the Company could face reputational harm, disruption of supply, loss of consumer trust, and higher financing costs, each of which could impair the

Company's long-term corporate value.

These risks are heightened by the Company's publicly stated strategy to accelerate growth outside Japan, including through expanded distribution and brand rollouts in the United States and Europe. If supply-chain controls and disclosures are not robust, controversies involving palm oil and paper / pulp could impede market access and damage brand trust in these key growth markets, undermining the Company's long-term growth plans.

Accordingly, investigating these matters through an independent process is in shareholders' interests and supports sustainable enhancement of corporate value.

Oasis Japan Strategic Fund Ltd.

Title: Director

Name: Phillip Meyer

Opportunities Fund One SPC – Echo SP

Title: Director

Name: Phillip Meyer