

FOR IMMEDIATE RELEASE

May 22, 2026

Kao Selected as a DX Stock 2026

Kao Corporation was selected by Japan’s Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as a Digital Transformation Stock (DX Stock) 2026. To achieve the objectives of its Mid-term Plan 2027 (K27), Kao is promoting company-wide DX based on its AI-centered management strategy. This selection particularly recognizes Kao’s efforts to drive business transformation and enhance corporate value through the use of enterprise system data, the development of a data utilization platform through “My Kao,” and the cultivation of digitally proficient human resources.



DXStocks2026
Digital Transformation

Kao’s DX Initiatives

Kao is promoting its *Global Sharp Top*^{*1} strategy to achieve K27. With DX promotion and the use of AI at its core, Kao is accelerating “*Yoki-Monozukuri*,” which underpins its corporate activities, while pursuing an end-to-end approach—from product design that accurately captures current consumer needs, through production and sales, to delivering value back to consumers. Kao is also examining how its DX initiatives contribute to improving ROIC, one of its key management indicators, and is promoting the integration of management and digital strategies. Going forward, Kao will continue to enhance corporate value sustainably by leveraging data and AI to both improve customer experience and increase operational efficiency.



*1 Contribute as global No. 1 with leading-edge brands and solutions that address the critical needs of customers.



Digital Transformation Progress and Achievements:

Initiatives to Build a Foundation for Business Growth and Create Value

- AI-centric initiatives that strengthen the management base and create value are contributing to business growth.

Business Growth	D2C Business Six cosmetics focus brands D2C sales in Japan 142% YoY sales growth SENSAL MOLTON BROWN KANEBO SOFINA Qut® KATE	 RNA Co-creation More than 100,000 users KAO istyle Skin care diagnosis recipients (since July 2025)	AI Demand Forecasting Cosmetics in Japan 38% reduction
	Value Creation	Skin Diagnostics Evaluation categories (vs. previous methods) 5-fold increase to 77 categories Kirei skin AI: Kao's proprietary AI technology for skin evaluation enables highly accurate analysis of not only the skin's outward appearance but also infers its internal condition, based on a single facial image.	In-house Utilization of Information 60% reduction in information collection (estimate vs. conventional methods)
Management Base	Core System SAP S/4HANA Scope: 97 companies in 29 countries	AI Utilization Total DAU by Tool (Non-Unique / Aggregate) 5,000 per day 	DX Talent More than 4,700 citizen developers

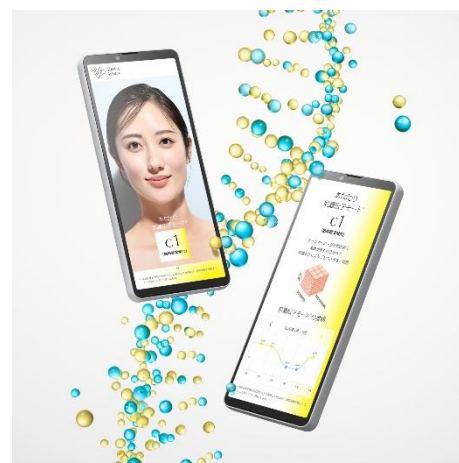
Examples of Initiatives

Enhancing demand and supply planning using AI-based demand forecasting

Building an AI-based demand forecast model based on product lifecycles will help Kao minimize shortages, overstocking, and discards by improving the accuracy of demand and supply assessments. Production and supply plans are being optimized by progressively leveraging data on product features, sales performance, and social media trends from the pre-launch stage through the initial launch phase and into the regular sales period, while continuously updating demand forecasts.

Utilizing sebum RNA monitoring technology offering new product selection experiences

Utilizing AI and machine learning, Kao has advanced its proprietary sebum RNA monitoring technology, which uses RNA found in sebum as a hint to visualize skin and physical conditions. This enables users to estimate their RNA-based skin type (skin gene mode^{*2}) simply by taking a photo of their face with a smartphone, allowing them to receive personalized guidance on selecting products and services that best suit their needs anytime and free of charge. Additionally, through the RNA Co-creation Consortium established with partner companies, Kao will expand initiatives that utilize RNA as a new indicator, starting with the beauty and health fields.



*2 This technology does not conduct actual genetic analysis. Skin is classified into two types (modes), using exclusive AI technology which analyzes photos of bare skin based on genetic analysis research findings.

News Release from March 26, 2024

[Kao | Kao and istyle Establish the RNA Co-creation Consortium](#)

Improved personalization of the “My Kao” interactive digital platform

On “My Kao Mall,” the e-commerce site of “My Kao,” AI learns consumers’ purchasing behavior patterns and characteristics, enabling enhanced functionality that provides real-time recommendations for the most suitable products. By integrating and analyzing data such as website browsing behavior, purchase history, product attributes, and customer profiles, the platform identifies individual customer needs and provides recommendations on the most suitable products as well as optimal repurchase timing.

About Kao

Kao, a Japan-based manufacturer of cosmetics, personal care and household products, as well as specialty chemicals, creates high-value-added products and services that provide care and enrichment for the life of all people and the planet. Through its brands such as Curél, SENSAI, and MOLTON BROWN cosmetics, Bioré and Jergens skin care products, Oribe hair care products, Attack laundry detergent, and Laurier sanitary products, Kao is part of the everyday lives of people across Asia, the Americas, Europe, the Middle East, and Africa. Combined with its chemical business, which contributes to a wide range of industries, Kao generates about 1,690 billion yen in annual sales. Kao employs about 31,500 people worldwide and has more than 130 years of history in innovation. Please visit [the Kao Group website](#) for additional information.

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