

## Sustainability as the Only Path



I'm Yoshihiro Hasebe, President and CEO of Kao Corporation.

Our world is in turmoil. A global pandemic. Societies divided by polarized opinions. Global environmental issues of increasing severity. People are questioning the sustainability of continuous economic growth, and are anxious about how their future lifestyles might change. All of this brings the Kao Group to a watershed moment. The time has come for a major transformation of our responsibilities and role as a company.

Up to now, Kao has contributed to society as a consumer goods manufacturer: Consumers use and benefit from the wide range of products we make. However, that contribution uses large amounts of resources and energy, and generates waste.

It is time to make a change. We need a new plan of action. Kao has built a proud legacy spanning over 130 years. We have pursued businesses related to cleanliness, beauty, and health while adapting to changing times. But what path should Kao take now in order to serve society while meeting the expectations of our many valued stakeholders?

In 2021, we will commence a new Kao Group Mid-term Plan 2025 "K25."

The Kao Group's core mission—to enrich the lives of people—remains unchanged. But at this moment in history, it is crucial that we focus on both supporting human lives and the global environment. We renew our commitment to making essential contributions to saving future lives. However, we cannot do that by simply continuing on our current business trajectory.

My strong belief is that in order to make bold moves to develop new business areas, we need to create "Another Kao" in parallel to the Kao that exists today. This new business, Another Kao, will be built on a completely new business model. It will be designed from the ground up, with its reputable technology as its cornerstone. Another Kao will launch businesses that provide compelling solutions to the world's critical problems. The first step toward achieving that is overcoming any internal obstacles that hold Kao back from welcoming innovation from outside the company. We need to recognize and respect those who share our mission. We must collaborate to achieve shared goals. This is essential, even if our partners on the path ahead are from outside the Kao Group. That's not all. The Kao Group must be a vibrant workplace. Highly motivated employees should be empowered to take on exciting business challenges—and to deliver results.

Kao aims to be a company that sets the pace globally in creating maximum value with minimum resources: a concept of "maximum with minimum." This is our moment to harness the collective talent of the Kao Group's members and create a new future that will be brighter than we can even imagine.

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A handwritten signature in black ink that reads "Y. Hasebe".

Yoshihiro Hasebe  
President and Chief Executive Officer  
Kao Corporation



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