

## Kao's approach

Kao continue to use close, in-depth communication with consumers to ensure that customers' feedback can be utilized effectively to enhance *Yoki-Monozukuri* and the services that we offer, while providing essential lifestyle information to consumers of all ages. In aging populations, steadily increasing levels of digitalization, and continuing globalization, the question of how best to interact with consumers has become a vitally important issue when deciding on consumer communication strategies. Kao adopts a forward-looking response to changes in our consumers' living environments and the accelerating digitalization of communication methods, and we will continue to proactively develop new measures in this area.

## Kao's creating value to address social issues

The changes taking place in society are very much reflected in our communication with consumers. For example, the number of inquiries about our products from senior citizens has steadily increased. At the same time, the use of social networking services (SNS) for communication purposes has become increasingly common, particularly among younger people, and a wide range of information is now being exchanged via SNS. In addition, the increase over the past few years in consumption by foreign tourists visiting Japan is having a new impact on society.

In this kind of society, it is easy for information gaps to emerge between consumers and business enterprises; it becomes more and more difficult for consumers to make reasoned decisions based on their own knowledge.

We believe that by endeavoring to provide consumers with fair, accurate and easily understood information, we can help consumers engage in ethical, environmentally friendly consumption behavior.

At our consumer consultation desk inside our

Consumer Communication Center, we take feedback from our consumers seriously in support of *Yoki-Monozukuri* from a consumer-driven point of view. In order to provide service to everyone, we set up a consultation desk for sign language, taking into account with people with hearing impairments. For people with visual impairments, we have added descriptive text to the images and tables in our product catalog on the Kao website that can be read audibly with speech reading software.

To facilitate communication with a wide range of consumers, we are working to diversify the channels through which we communicate with consumers, by strengthening active support using SNS (Yahoo! Chiebukuro), among other ways.

### Contributions to the SDGs



## Policies

The Consumer Communication Center serves as our contact point with consumers, to not only respond helpfully to specific comments and requests

submitted by consumers in an accurate, quick and courteous manner, but also to gain a well-developed understanding of actual usage situations through our customer's concerns and lifestyle habits, and of feelings as a person.

### Declaration of Consumer-orientation

In January 2017, we announced Declaration of Consumer-orientation. Under the Kao Group philosophy, the Kao Way, we will promote our top management's commitments to all of our employees, ensuring corporate governance as well as achieving customer satisfaction. Moreover, with all of our employees taking part in *Yoki-Monozukuri* to provide products and brands useful to the sustainability of society, we take customer feedback seriously, utilizing it to improve our products and services, and proclaim that we will provide information from the point of view of our customers in addition to actively engaging with customers.



→ Declaration of Consumer-orientation  
<http://www.kao.com/jp/corporate/sustainability/declaration/customer-first/> (Japanese)

## Framework

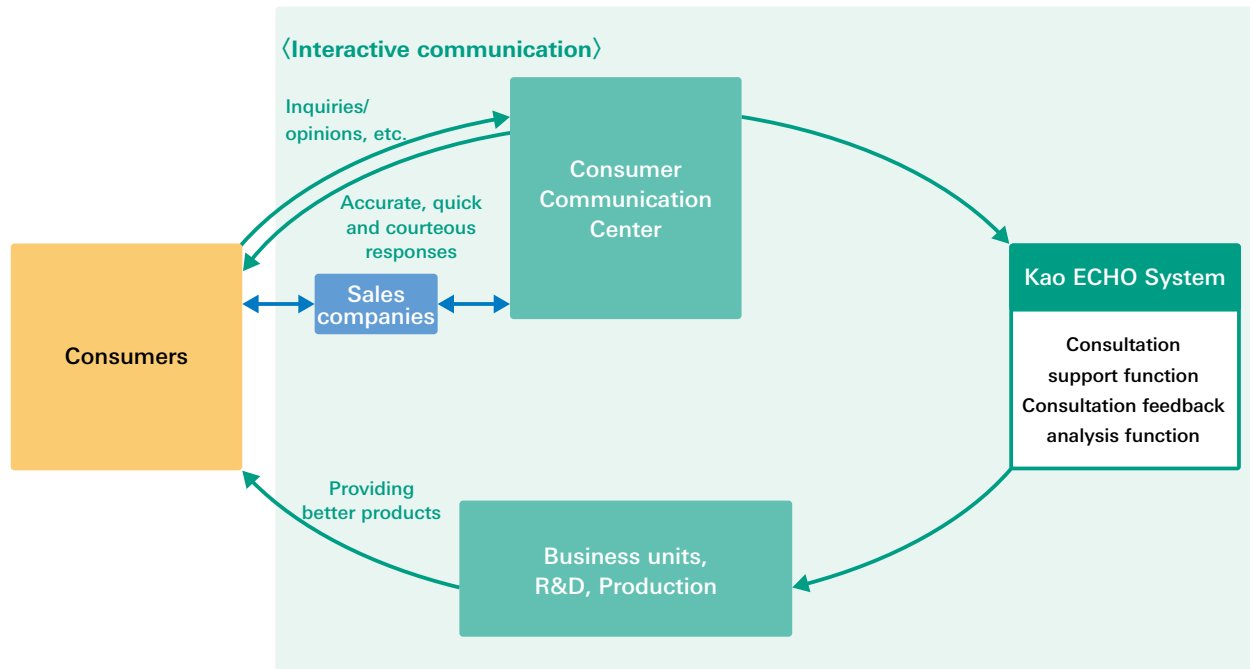
We developed the Kao ECHO System database in 1978. This system, which has been upgraded since then, serves as a bridge for effective communication between consumers and us, and provides a foundation for our entire company to share and utilize consumer feedback.

The database stores a wide range of information on all Kao products, ranging from basic product information, including product improvement history, to daily lifestyle related information. By accessing this information, staff at the Consumer Communication

Center can respond to inquiries from consumers in a prompt and appropriate manner. In addition, while taking suitable measures to protect personal information, the system compiles a list of all consumer inquiries received each day and makes this data available to all divisions.

Related divisions are able to make effective use of this system by analyzing inquiry trends by product category, using these results in product development, marketing and quality improvement activities, and so on.

### Framework to reflect consumer feedback in products



## Education and promotion

- To further enhance our capability to respond to consumer inquiries, besides implementing periodic assessments of our consumer inquiry response ability, we also work actively to create training opportunities by, for example, arranging for external instructors to provide training for employees, and by encouraging employees to make use of external training providers.
- In order to better understand our consumers' viewpoints, we hold training sessions in each division, in order to put them toward business use. In 2017, following in continuation from the SCM Division of the previous year, we held training sessions in our Functional Division and Sales Division, among other departments worked together in customer correspondence. Employees that underwent the training realized that daily consultation at the window is a form of catch ball to get to the heart of customer matters, and that by hearing customers' real voices, they were able to better grasp their feelings and thoughts, as well as events occurring in their real lives.
- To help ensure appropriate, timely response to consumer inquiries based on the Kao Way, we carefully monitor consumer communication activities in countries throughout Asia, using the daily exchange of information by means of e-mails and telephone calls, as well as regular web conference meetings, to share consumer communication response processes and criteria.
- Once a year, we hold a conference that brings together staff from all over Asia responsible for consumer communication. Besides deepening their understanding of the Kao Group policy for consumer communication, this annual meeting also contributes to them provide opportunities for the enhancement of consumer communication skills, and facilitates the implementation of activities that are global in scope, by providing a venue for the lateral sharing of information about consumer communication content and *Yoki-Monozukuri* in different countries.

## Mid- to long-term targets and performance

### Mid- to long-term targets

While collaborating closely with our partner companies, we are striving to enhance the overall level of our advantageous consumer- and customer-driven approach and of the capabilities of frontline operations (*genba*) and our total strength, which together constitute an integrated system, so as to accelerate the implementation of our business strategy. To this end, we are committed to the continuing exchange of information with consumers in our role as a trusted

partner for consumers, and will provide consumers with optimal solutions for their problems, wherever and whenever they need our help.

By promoting effective communication with consumers, we can identify risks at an early stage and take appropriate, timely action to deal with them, while also using the collection and analysis of customer feedback to invigorate the Kao Group's *Yoki-Monozukuri*.

### Main initiatives related to consumer communication

1. Answering consumer inquiries by means such as telephone or e-mail
2. Providing practical information on our website
3. Providing active support for questions posted via SNS (Yahoo! Chiebukuro)
4. Exchanging information with consumer groups and with government agencies responsible for consumer affairs
5. Implementation of exchange activities involving consumer-oriented events

### Performance in 2017

#### 1. Answering consumer inquiries by means such as telephone or e-mail (Global)

Working together in 2017, Kao Corporation, Nivea-Kao Co., Ltd., and Kanebo Cosmetics Inc. answered around 220,000 consumer inquiries received via telephone and e-mail in Japan (equivalent to 99% of the previous year's total). In Japan, there has been an increase in inquiries from the elderly regarding product differences and usage, especially from older men, reflecting Japan's aging society. People aged 60 or above now account for around 40% of all inquiries received.

Outside Japan, we make effective use of the Global ECHO System to ensure effective implementation of our quality management activities.

#### 2. Providing practical information on the Kao website (Japan)

Product information for our products can be viewed online on the Kao website using the online Kao product catalog. Our product catalog website displays not only product images and details of the product features, but also basic information displayed on product packaging labels, including product components, acidity/alkalinity, usage, and other important notice. Information for all regular Kao products sold in Japan can now be viewed online.

#### 3. Providing active support for questions posted via SNS (Japan)

On Yahoo! Chiebukuro (Japan's largest knowledgesharing community service), under the username "kao\_official," Kao Official Support began providing answers to consumers' questions posted to the service beginning July 2015. In 2017, an estimated total 2,200 questions were answered. One of the key features of social media is that questions and responses stay on the feed and can be read not only by the person who made the original query, but also by many others with similar issues, thereby contributing to the wider dissemination of accurate information.

## Collaboration with stakeholders

### Exchanging information with consumer groups and with government agencies responsible for consumer affairs

We have invited consumer group members to visit our plants and museums, and encouraged sharing of ideas.

### Implementation of exchange activities involving consumer-oriented events

We continue to participate in Children's Day for Visiting Kasumigaseki and the Sumida Consumer Lifestyles Exhibition, in response to requests from governmental agencies, and we offer a wide range of information.

### Evaluating communication with consumers

To verify whether our communication with consumers is satisfactory, we implement regular consumer surveys regarding our consumer communication.

In 2017, we asked consumers to assess the quality of how we answered inquiries by either telephone or e-mail, and their level of satisfaction. The results showed that around 90% of consumers were satisfied with our answers.

We will be using the evaluation comments that we received from consumers to realize further improvements in our handling of customer inquiries, and we will be working to achieve even higher levels of customer satisfaction.

Conservation

Community

Corporate Culture

Governance

## Our initiatives

### Providing information on the Kao website

#### All regular product information displayed on Kao's website

Our product catalog website takes strides to not only display product images and product feature details, but also basic information shown on product packaging labels, including product components, acidity/alkalinity, usage and other important points. Information for all regular Kao products sold in Japan can now be viewed online.

To accompany the display of product packaging label information, text has been added to images to make it possible for people with visual impairments to listen to the information using speech reading software.

#### Providing information on dangerous goods for air transport (dangerous goods classified by the UN)

Inquiries such as "I'd like to send this item to a friend or acquaintance overseas, but is that okay?" regarding overseas transport via aircraft have increased. In 2017, we posted the "Warning When Sending the Product by Air" online so that consumers can confirm necessary information when shipping Kao products overseas.

We posted the "Warning When Sending the Product by Air" in correspondence with dangerous goods for air transport (dangerous goods classified by the United Nations), and we display more details and contact information when clicked the link.

Example on our product catalog website (Japanese only)

ビオレ UV さらさらブライトミルク SPF50+



毛穴・凹凸・くすみもカバーするUVミルク。強力紫外線から肌をしっかり守り、日焼けによるシミ・ソバカスを防ぎます。汗・水に強いスーパーウォータープルーフタイプ。(80分間にわたる耐水試験で確認済み) 紫外線カット効果が長続きします。透明UVカットパウダー(超微粒子酸化亜鉛)配合。白くなりません。ヒアルロン酸(保湿成分)配合。日差しや冷房で乾燥しがちな肌にうるおいを与えます。さらさらパウダー配合。汗をかいても素肌さらさら。光補正パウダー配合で肌色を明るく整えて、肌の凹凸や毛穴、くすみをカバー。化粧下地効果で化粧くずれを防ぎます。落とすときは、メイク落としなどでよく洗ってください。

- ◆ SPF50+ / PA++++
- ◆ 無香料

【日焼け止め(顔用)】

30ml

- ▼ 製品特長
- ▼ 成分・使い方・ご注意など
- ▼ 紫外線防止剤の種類
- ▼ 製品を航空便で送る際のご注意

Warning When Sending the Product by Air

#### 製品を航空便で送る際のご注意

- 本品は、航空法で定める航空危険物に該当します。
  - 輸送業者(郵便局など)に発送を依頼する場合は、この製品が航空危険物に該当することをお伝えください。
  - 輸送業者から、製品に関する詳しい情報を求められた場合は、花王 消費者相談室まで、お問い合わせください。
- メール: お問い合わせフォーム  
お電話: 0120-165-692  
受付時間 9:00~17:00 (土曜・日曜・祝日を除く)



→ Inquiry "I'd like to send this item by air, but does it fall under the dangerous goods for air transport category?"  
[http://www.kao.com/jp/soudan/topics/topics\\_103.html](http://www.kao.com/jp/soudan/topics/topics_103.html)  
(Japanese)

## Participation in the operation of the Welcome Baby Project— Diaper Vending Machine

Through our products, we help solve various problems that consumers have. In addition, we actively work with local communities, administrative agencies, and NGOs/NPOs to solve problems that we cannot approach directly through our business.

Comachiplus is a specified nonprofit organization that suggests various businesses in order to create a society where childbirth is welcomed and child-raising is not done alone. In a workshop organized by Comachiplus which brought together people raising children, local governments and companies, those raising children offered comments that, "It would be convenient if it were possible to, instead of buying a whole pack at a store, purchase a small amount of disposable diapers from a vending machine for when we forget one." So, Comachiplus started a project to sell disposable *Merries* children's diapers with drinks by using Tokyo Kirin Beverage Service Corporation vending machines. Our related departments worked with Comachiplus to install this vending machine at a diaper changing area in a store in Totsuka Ward, Yokohama City.

Putting two of each *Merries* medium and large nappy pants diapers in together, we set out a plastic bag for used diapers, and this effort was generated from listening to voices of those involved in child care. News about the set-up of this vending machine was quickly picked up by media outlets and garnered many reactions. We have also received requests to install this type of vending machines in other areas.

## Creation of pattern language\* that compiles tricks for balancing childcare and work

We study each consumers' thoughts and lifestyles, engaging in consumer research in an effort to catch any signs of change as soon as possible.

From an interview conducted with working women between 20 and 30 years of age, we felt that despite their desire to keep working, many women were afraid that they could not meet the expectations of their peers, and had given up trying to find a balance between their work and private lives. In order to support being able to work in their own way, we created *Ways of Everyday World-Making: Living well while Working and Parenting* with pattern language, through joint research with Keio University's Iba Laboratory. It compiles tricks for balancing childcare and work into 34 short phrases, and we conduct workshops using this pattern language within and outside our company.

In addition to participating the Japan Society of Home Economics's annual convention as well as the 2017 PURPLSOC World Conference held in Austria, we have also presented at seminars for job seekers at HelloWork in Ryugasaki, Ibaraki Prefecture.

Reflecting on working lifestyles, along with providing opportunities to find positive work hints for tomorrow, we would like to hear voices from working people and think with consumers about how to better improve "working lifestyles" for tomorrow.

*Ways of Everyday World-Making: Living well while Working and Parenting* can be downloaded from our Lifestyle Research Center's Lifestyle Research website.



→ Lifestyle Research Center's Lifestyle Research website  
<http://www.kao.co.jp/lifei/> (Japanese)



*Ways of Everyday World-Making: Living well while Working and Parenting*

### \*Pattern language

The method of knowledge application advocated by architect Christopher Alexander. It describes practical knowledge on how to best solve problems arising in certain situations.