## Kao's Vision for 2030 "K30" and the Mid-Term Plan "K27"

Kao has established its vision for 2030 "K30" and the mid-term plan "K27" to accelerate both business growth and contributions to a sustainable world. By placing sustainability at the core of its management and driving business and organizational transformation, we aim to make Kao a company with a global presence.

### What Kao Aims to Be by 2030

Striving for the continuous enhancement of its corporate value, Kao has set forth this purpose: "To realize a Kirei World in which all life lives in harmony." As part of this commitment, Kao formulated "K30" to become a company with a meaningful global existence by 2030.

Under "K30," Kao has established three key goals, one of which is to become a company indispensable to a sustainable world. This reflects Kao's determination to place sustainability at the core of its management, achieve sustainable growth through business activities, and return the resulting value through contributions to society.

What Kao Aims to Be by 2030 (K30)

A Globally Indispensable Company, "Kao"

- (1) to become an essential company in a sustainable world
- (2) to become a high-profit global company that also significantly contributes to society
- (3) to provide returns to stakeholders according to levels of growth

### Mid-Term Plan "K27"

The mid-term plan "K27" incorporates sustainability by setting "Sustainability as the only path" as its vision and establishing the goal of becoming a company indispensable to a sustainable world as its basic policy. "K27" consists of the following four frameworks:

### (1) Building Global Sharp Top businesses

Strengthen high-demand, high-profitability businesses and accelerate global expansion.

# (2) Developing *Global Sharp Top* human capital and organizational management

Foster human capital with the creativity to solve critical needs and establish an efficient organization where such individuals take the lead.

### (3) Improving capital efficiency and profitability

Maximize the value of management capital by supervising investment efficiency for each business based on the business portfolio.

### (4) Developing business through collaboration with partners

Leverage Kao's technology assets quickly and at scale by collaborating with partner companies to create value.

Management Strategy and Mid-term Plan 2027 (K27)

https://www.kao.com/global/en/corporate/strategy-and-mid-term-plan/





#### **Value Creation Cycle** Resources **Value** To realize a Kirei world in which all life lives in harmony **Human Capital People** Consolidated employees 32,566 (Outside Japan 36.0%) Solutions that make Hygiene life better. Countries/regions where products are sold Approx. 140 **Living Care** Consolidated subsidiaries 111 **Performance** Employee Intellectual Capital Experience Science-based, Number of brands 81 proven performance. Number of patents held 15,240 **Cosmetics** Number of trademarks held 21,600 Scientific Advantage R&D expenses ¥62.1 bn 36 Production sites Kao **Planet** Yoki-Monozukuri **Natural Capital** Business that respects Health planetary boundaries Energy consumption 16.5 PJ and strives to solve 16.3 million m<sup>3</sup> Water use **Beauty Care** issues that matter. The Kao Plastic packaging usage 86 kt Way CO<sub>2</sub> emissions across 10,121 kt product lifecycle Chemical **Profitability Financial Capital** Profitable growth, ¥1,628.4 bn Net sales benefiting all stakeholders. (Outside Japan 43.3%) Operating income ¥146.6 bn EVA (Economic Value Added) ¥33.2 bn

Reinvestment

Editorial Policy

CEO Message

Message from Senior Vice President of ESG

**Executive Summary** 

Corporate Philosophy

Kao's Vision for 2030 "K30" and the Mid-Term Plan "K27"

Stratony

Metrics and Targets

Rovernance

Risk and Opportunity Management





