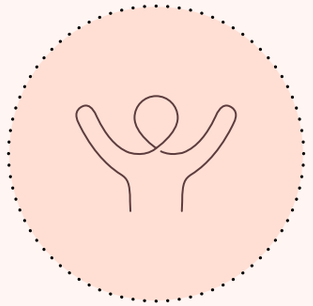
Improved Quality of Life



To help people enjoy more beautiful lives, we aim to improve the quality of life for people around the world and grow in the global market by proposing products and services that enhance the quality of life in accordance with the circumstances and life stages of consumers.

Risks

- Decrease in consumer satisfaction and brand loyalty due to delays in responding to needs for improved QOL
- Increased market competition due to the products and activities of competitors for QOL improvement, and a decline in brand value and loss of business opportunities

Opportunities

- Improving brand value and loyalty through the development of products that improve QOL and achieve business growth
- Improving reputation and corporate value through activities to support QOL improvement
- Creating business opportunities and business growth through marketing that support QOL improvement

Strategy

Overall	(1) Develop products, services and activities that contribute to improving QOL
Products and services	(2) Develop QOL improvement services that meet individual needs
Products and services	(3) Develop and deploy products and services that improve QOL through new technologies and ideas
Support activities	(4) Develop marketing through activities that support QOL improvement
Support activities	(5) Improve the quality of support activities with external stakeholders

Metrics, targets and results

Metrics	Targets	2025 results
Number of products that contribute to a comfortable, beautiful, healthy life and touch the heart of people (1)	7 billion In 2030	3.6 billion
Number of QOL improvement activities proposed by brands (2) (3) (4) (5)	–	62

Initiatives

- Reinforcing proposals regarding skin tone in consideration of health and safety in AEMEA as part of the Skin Protection Business (2) (3)
- Skincare seminars for cancer patients (2)
- Expansion of awareness-raising activities about skincare for babies (2)
- Expansion of “Going with smile to nursery schools by Kao,” a childcare support service for nursery schools (3)
- Expansion of “Laurier in the Workplace,” a program to provide sanitary napkins as a company amenity (3)
- Expansion and additional donation activities for the “Pink Ribbon Campaign,” a breast cancer prevention awareness campaign (4) (5)
- The “Light Up Curiosity Project” that contributes to the education of young people in developing countries who had no opportunities to learn due to poverty (4) (5)
- Exhibitions at events for people with visual disabilities (4) (5)

Financial impact

- Increase in sales and market share of products that improve QOL
- Increase in product loyalty and sales through QOL improvement services tailored to individual conditions
- Increase in competitiveness and expansion of business fields through products and services that improve QOL with new technologies and ideas

Environmental and social impact

- Contribution to enriching the hearts of consumers through manufacturing, experiences, and story creation
- Enhancing the effects of external collaboration on enjoying more beautiful lives
- Improvement of the standard of living with products and services that improve QOL through new technologies and ideas
- Improvement of the standard of living in times of disaster and other extraordinary situations

* The numbers at the end of the metrics, targets, and initiatives indicate the strategy identifiers.

Strategy

With the aim of reducing risks and creating opportunities in relation to this theme, we are implementing strategies that are unique to Kao, are effective, and contribute to business growth and the resolution of social issues.

Social issues

In order to continue to be a sustainable and competitive entity, it is essential for Kao to have an accurate understanding of social issues. An awareness of social issues will not only mitigate business risks for Kao, but will also be an important starting point for identifying new business opportunities that will promote growth. To help consumers enjoy more beautiful lives, it is necessary to solve a number of social issues. Kao recognizes the following social issues in relation to this theme.

- The weakening of local communities and social isolation of people due to changes in the social structure (such as the aging of society), and the diversification of values
- The gap between material fulfillment and spiritual wellbeing
- The impact of natural disasters caused by climate change on daily life

Risks and opportunities

In the business environment described above, which includes social issues, Kao faces various risks, but has also identified new business opportunities. Identifying these risks and opportunities is an important process in formulating corporate strategies and measures. The main risks and opportunities identified by Kao in this theme are as follows.

Risks

- Decrease in consumer satisfaction and brand loyalty due to delays in responding to needs for improved QOL
- Increased market competition due to the products and activities of competitors for QOL improvement, and a decline in brand value and loss of business opportunities

Opportunities

- Improving brand value and loyalty through the development of products that improve QOL and achieve business growth
- Improving reputation and corporate value through activities to support QOL improvement
- Creating business opportunities and business growth through marketing that support QOL improvement

Strategy

We will promote the following strategies to address the identified risks and opportunities. This theme is directly connected to the vision of the K27 Mid-term Plan, Protecting future lives, and is positioned at the core of our growth driver areas such as the Skin care and Cosmetics businesses. By expanding the options that help people enjoy more beautiful lives that are unique to each individual, we will refine our capability for cross-business proposals as well as Kao's proprietary skin science and experience value, thereby expanding business in many regions while enhancing brand loyalty.

(1) Development of products, services and activities that contribute to improving QOL

Provide options that support comfortable lifestyles and bring satisfaction through social and environmental contribution with products and services that can be used every day without difficulty, and deliver products and services that are optimized for each country's environment, culture, and customs.

(2) Development of QOL improvement services that meet individual needs

Give individually optimized proposals to match people's conditions and living environments, thereby helping to reduce unease and enhance their lifestyles. At the same time, respond to environmental and other regulations in each country, and identify the climate, culture, lifestyle habits, and other common elements across different areas while expanding.

Also, leverage our insight as a general chemical manufacturer to continually provide new products and services. In particular, utilize our strengths in technology for surfactants, water saving, foam, and packaging.

Related initiative: P84 Skin Protection Business to protect skin from increasingly serious external stressors reinforce global expansion

(3) Development and deployment of products and services that improve QOL through new technologies and ideas

Utilize AI and other technologies to rethink things from innovative and user-oriented perspectives to respond to increasing diversity and identify new needs, while also identifying priority regions and shortening the lead time up to launch in these regions to thereby accelerate global expansion. In addition, reinforce accurate descriptions about products and services and accelerate awareness to establish businesses rapidly.

(4) Marketing development through activities that support QOL improvement

Enhance health literacy and encourage behavioral change among consumers, while also deploying the common tools (educational materials and videos) developed in Japan for awareness-raising activities regarding health across Asia, with operations starting by 2027. In addition, design a process that guides people from experiencing products and services to trials and continued purchases, and boost the repeat purchase rate.

(5) Quality improvement of support activities with external stakeholders

Collaborate with medical and educational institutions, local governments, and NPOs to support early detection and achieve hygiene in times of disaster to help improve the QOL of vulnerable individuals and other people. At the same time, expand products and services that contribute to solving global challenges, such as through the Pink Ribbon Campaign and support for people with disabilities.

Related initiatives: P84 Global expansion of the “Pink Ribbon Campaign”, breast cancer prevention awareness campaign

Impact generated by implementing the strategies

We believe that the aforementioned strategies will have the following financial, environmental and social impacts.

Financial impact

- Increase in sales and market share of products that improve QOL
- Increase in product loyalty and sales through QOL improvement services tailored to individual conditions
- Increase in competitiveness and expansion of business fields through products and services that improve QOL with new technologies and ideas

Environmental and social impact

- Contribution to enriching the hearts of consumers through manufacturing, experiences, and story creation
- Enhancing the effects of external collaboration on enjoying more beautiful lives
- Improvement of the standard of living through products and services that improve QOL through new technologies and ideas
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Strategic resilience

In addition to developing products and services that improve QOL, we also promote strategic responses based on rapid market trend analysis, and we have the ability to flexibly adapt to changes in customer needs. We also aim to enhance brand value by strengthening measures for sustainability and innovation, which help us build resilience that will enable us to avoid losing market share due to intensifying competition and to achieve both business continuity and growth.

Metrics and targets

To enhance the effectiveness of our strategies, we have established performance metrics related to risks and opportunities, and we regularly monitor our progress. We have set targets for the metrics related to particularly significant risks and opportunities, and we are steadily promoting initiatives alongside ongoing improvements that utilize the PDCA cycle to check the status of achievement of these targets.

Targets and progress

Strategy	Metrics	2021	2022	2023	2024	2025	Mid- to long-term targets: Target value	Mid- to long-term targets: Year
(1)	Number of products that contribute to a comfortable, beautiful, healthy life and touch the heart of people	4.5 billion	4.5 billion	4.1 billion	3.9 billion	3.6 billion	7 billion	2030

Under this theme, to contribute to realizing comfortable and emotionally enriched lives for each consumer, we have established the number of products that contribute to improving quality of life as an indicator of the expanding opportunities to provide consumers with products and services that help improve quality of life through our products, services, and activities; this figure was 3.6 billion units in 2025. The number of products contributing to quality of life declined year on year on a unit basis, as a result of our strategic shift toward large-capacity and high-value-added products in response to recent changes in consumer needs. Through these efforts, an environment is taking shape in which each consumer can more easily choose products suited to their own condition and needs. As the forms in which products are provided and the ways they are used continue to change, we recognize that capturing units alone under the current indicator does not sufficiently capture consumers' actual usage or the contribution to improving quality of life. In light of this, while continuing to disclose the current indicator for the time being, we are considering introducing an evaluation method that can also capture perspectives on improvements in quality of life — such as consumer satisfaction and the degree of contribution to daily living — and we plan to proceed with setting a new indicator by around fiscal 2026.

Metrics and results

Strategy	Metrics	Results: 2022	2023	2024	2025
(2) (3) (4) (5)	Number of QOL improvement activities proposed by brands	41	43	60	62

In 2025, we strengthened skin care awareness-raising for cancer patients and medical professionals through the introduction of moisturizers and method videos. The number of brand-initiated activities (such as awareness-raising) that improve quality of life expanded steadily to 62 (compared with 60 in the previous year), reflecting a deepening of the value we provide to consumers that cannot be captured by a count of products. Going forward, we will continue to contribute to improving quality of life for a broader range of consumers through seminars in the categories in which we operate.

Governance

With Global Consumer Care serving as the supervising division, we regularly hold the following three meetings to promote our strategy for Improved Quality of Life.

The meeting attended by the heads of business divisions and the managers of each division shares information on ESG promotion, including the discussions at the ESG Managing Committee, regulatory trends outside Japan, and the response policies of each business, and also discusses material issues and policies.

We also hold a meeting attended by the Officer in Charge, the heads of business divisions, and the managers of R&D, manufacturing, and procurement divisions, where we discuss new products and major investment projects from a global perspective, focusing on product performance, product value, and business feasibility, including income and expenditure.

In addition, for each business division, we hold a meeting attended by the managers and staff in charge of the business, research, manufacturing, product quality management, and other divisions, where we check the product performance, product value, and business potential involved in commercialization from an ESG perspective.

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Risk and opportunity management

Management process

The status of our efforts to address the risks and opportunities related to Improved Quality of Life is managed through the following PDCA cycle, and we are working to make steady improvements.

P (check for risks and opportunities)

At the meeting for ESG promotion, we monitor various trends, such as global regulations and customer requests, and identify the associated risks and opportunities. A response policy is established based on the identified risks and opportunities.

D (response based on risk/opportunity)

The response policy decided at the meeting is deployed to related divisions, and specific activities are promoted. The policy is reflected in the product development process and approved/confirmed as necessary. The content of various activities is disclosed internally and externally.

* For details on each activity, refer to Initiatives (P84-85).

C (monitoring and evaluation of response status)

At the meeting, we report on and evaluate the progress of ongoing response activities. As necessary, the content and results of activities are reported to the ESG Managing Committee and proposals are shared.

A (response to issues and improvements)

Based on the monitoring results and proposals, the activity policy and implementation system are improved as necessary. Continuous improvement is made to measures for dealing with risks and the content of initiatives.

Initiatives

Kao is engaged in a variety of initiatives aimed at Improved Quality of Life. These initiatives are based on the aforementioned strategies, and are being promoted in collaboration with one another to achieve our goals. Here, we will introduce some of the important initiatives from among the many we are engaged in.

	Strategy	Initiatives		
Overall	(1) Develop products, services and activities that contribute to improving QOL			
Products and services	(2) Develop QOL improvement services that meet individual needs	Skincare seminars for cancer patients	Expansion of awareness-raising activities about skincare for babies	Reinforcement of proposals regarding skin tone in consideration of health and safety in AEMEA as part of the Skin Protection Business
Products and services	(3) Develop and deploy products and services that improve QOL through new technologies and ideas	Expansion of “Going with smile to nursery schools by Kao,” a childcare support service for nursery schools	Expansion of “*Laurier* in the Workplace,” a program to provide sanitary napkins as a company amenity	
Support activities	(4) Develop marketing through activities that support QOL improvement	Expansion and additional donation activities for the “Pink Ribbon Campaign,” a breast cancer prevention awareness campaign	The “Light Up Curiosity Project” that contributes to the education of young people in developing countries who had no opportunities to learn due to poverty	Exhibitions at events for people with visual disabilities
Support activities	(5) Improve the quality of support activities with external stakeholders			

Reinforcing proposals regarding skin tone in consideration of health and safety in AEMEA as part of the Skin Protection Business

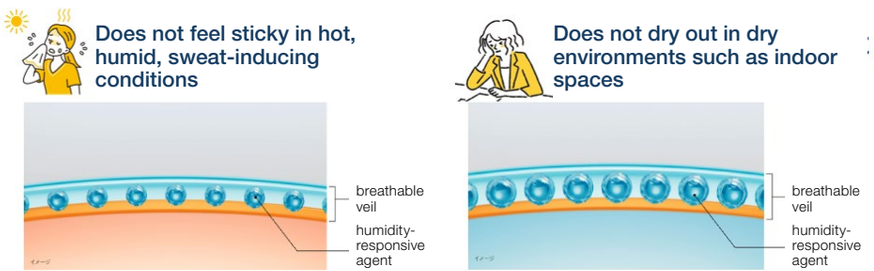
Region: Global
Corresponding strategies: (2) (3)

The Skin Protection Business, which protects the skin from the increasingly severe external environment caused by climate change, is comprised of three businesses: “UV care” that prevents sunburn and skin aging by protecting the skin from UV rays, “self-tanning” that creates a tanned look without exposure to UV rays, and “protection from environment” that repels mosquitos using skin-friendly ingredients without DEET (an ingredient found in insecticides).

Bioré UV Aqua Rich Airy Hold Cream

In recent years, often referred to as the “era of global boiling,” we paid particular attention to stress related to the use of sunscreens in 2025, and developed *Bioré UV Aqua Rich Airy Hold Cream*.

We added a humidity-responsive agent to Kao’s proprietary water-based formula to develop a cream with a soufflé-like texture. It spreads lightly across the skin, where a highly water-retaining polymer helps retain or release moisture. This provides the unique benefit of reducing stickiness in hot and humid conditions, while helping to keep the skin moisturized in dry conditions, such as when indoors.



In 2025, we conducted test sales through limited channels, and received positive feedback from purchasers, including comments such as, “It feels like I have an air conditioner,” and “This is next-generation UV care.” We launched sales across Japan in February 2026, and will gradually roll the product out across Asia.

Initiatives for proposals on skin tone (self-tanning) in consideration of health and safety

In AEMEA, people tend to view a tan acquired through sunbathing as a symbol of a healthy and active lifestyle. However, excessive UV exposure can bring severe health issues, such as a greater risk of skin cancer. *Jergens* offers the sub brand *Jergens® Natural Glow* for people to achieve the skin tone they want through self-tanning without any damage from UV rays. In the Americas, we are working to expand awareness about self-tanning while also promoting skin cancer prevention, in collaboration with a free skin cancer screening bus operated by an organization dedicated to promoting skin cancer prevention.

Expansion of the “Pink Ribbon Campaign,” a breast cancer awareness initiative, with additional donation activities

Region: Japan , Asia
Corresponding strategies: (4) (5)

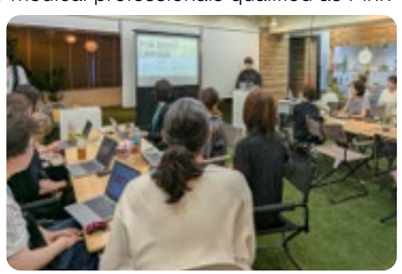
The Kao Group supports the global movement of Pink Ribbon, which calls for the importance of early detection of breast cancer, and has held the “Pink Ribbon Campaign” annually from October to November since 2007. We conduct various activities to create opportunities for people to think about their own health and the health of those close to them.

External awareness-raising and donation activities

We are conducting a social media campaign to communicate the importance of screening to as many people as possible outside the company. In 2025, we implemented a campaign in which we donated 10 yen for each reaction—such as likes, reposts, and shares—to posts about the Pink Ribbon Campaign on Kao's official social media accounts. Through this initiative, we donated 122,720 yen to National Cancer Center Japan.

We have also conducted initiatives with our cosmetics brands *LISSAGE* and *KANEBO* to donate a portion of product sales to the Japan Society of Breast Health, a certified non-profit organization.

Link: Kao Group Pink Ribbon Campaign
https://www.kao.com/jp/pinkribbon/

Internal and external awareness-raising activities

Internally, we hosted lectures delivered by medical professionals qualified as Pink Ribbon Advisors, providing employees with the opportunity to learn the basic facts about breast cancer and breast self-awareness. Externally, we distributed leaflets about self-check methods in stores and shared information through our brand site, thereby promoting the importance of the early detection of breast cancer.