

Inclusive & Diverse Workplaces

GRI 404-2

To make diversity into a strength and realize solutions to various social issues, we strive to create an environment and culture where each employee can exert their capabilities and individuality to the fullest, and both individuals and the company can flourish.

Risks	Strategy	Metrics, targets and results			Initiatives	Financial impact	
- Decline in employee engagement at workplaces where diverse employees face difficulties in working with high motivation, along with increased challenges in retaining employees, who are a valuable corporate asset, and in recruiting highly talented human capital - Lack of agility and flexibility in responding to societal changes within organizations that do not embrace diversity and instead remain homogeneous, leading to risks and reputational risks in the sustainable growth of companies	Diversity & Equity promotion	(1) Human capital development from a DE&I perspective	Metrics	Targets	2025 results	Women's empowerment (1) (2) (3) (4)	- Corporate growth through providing better products and services based on innovation that leverages diverse perspectives - Productivity improvement driven by higher employee engagement in each individual Our Progress > Human Capital Development > Metrics and targets - Enhanced employee retention and recruitment competitiveness, along with reduced hiring costs, through the company's growth into a more attractive workplace
			% of female managers related to that of female employees (1) (2) (3) (4) * Calculated as a weighted average based on the number of management positions at each group company	100% 2030	79.4%	Promoting the participation of employees of LGBTQ+ communities (1) (2) (3) (4)	
			Percentage of female managers (1) (2) (3) (4)	—	34.0%	Promoting the participation of employees from different cultures (1) (2) (3) (4)	
		Gender pay gap (1) (2) (3) (4)	—	89.1%	Promoting the participation of employees with disabilities (1) (2) (3) (4)		
		Percentage of employees with disabilities (1) (2) (3) (4)	—	Global: 1.67% Japan: 2.80%* * Calculation in accordance with the law	Support for balancing work and childcare (1) (2) (3) (4)		
		Percentage of paternity leave taken by male employees (Japan) (1) (2) (3) (4)	100%	92.7%	Support for balancing work and family care (1) (2) (3) (4)		
Opportunities	Inclusion promotion	(3) Education and awareness of DE&I	Score on “Inclusive organizational culture” in our employee engagement survey (1) (2) (3) (4)	75 2030	65	Deepening understanding of DE&I (1) (2) (3)	Environmental and social impact - Realizing an enriched lifestyle for consumers by providing products and services that meet the expectations of diverse values in the countries and markets where we currently provide products and services, as well as in regions with growing presence - Raising awareness and momentum for DE&I across society as a whole
		(4) Fostering an inclusive organizational culture	Score on “psychological safety” in our employee engagement survey (1) (2) (3) (4)	75 2027	65	Fostering an organizational culture centered on dialogue (1) (2) (4)	

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

Walking the Right Path

Effective Corporate
Governance

Full Transparency

Respecting Human
Rights

Human Capital
Development

> Inclusive & Diverse
Workplaces

Employee Wellbeing
& Safety

Responsible
Chemicals
Management

Strategy

To contribute to business growth and the resolution of social issues, Kao is promoting strategies that are effective, aligned with its identity, and lead to risk reduction and opportunity creation in inclusive and diverse workplaces.

■ Social issues

As societal values and people's lifestyles undergo significant change and diversification, Kao recognizes the following social issues related to this theme:

- Increasing uncertainty in economic and social conditions due to the globalization of business
- Changes in consumer's awareness of work and life, as well as shifts in employee expectations toward their company, amid the rise in consumers and employees with diverse backgrounds and values, leading to a departure from conventional norms

■ Risks and opportunities

Amid these social changes, we have identified the following key risks and opportunities related to this theme:

Risks

- Decline in employee engagement at workplaces where diverse employees face difficulties in working with high motivation, along with increased challenges in retaining employees, who are a valuable corporate asset, and in recruiting highly talented human capital
- Lack of agility and flexibility in responding to societal changes within organizations that do not embrace diversity and instead remain homogeneous, leading to risks and reputational risks in the sustainable growth of companies

Opportunities

- The integration of DE&I within the Kao Group leads to the gathering and retention of diverse and talented human capitals, as well as the maximization of their motivation and abilities
- The provision of products and services that respond to societal changes and the diversification of people's values, along with increased employee engagement, will

contribute to productivity improvement

- Further corporate growth, enhanced recognition from society and investors, and contributions to the broader promotion of DE&I awareness in society

■ Strategy

The Kao Way—our corporate philosophy—stipulates that we create inclusive workplaces where every person can develop their potential as a professional and a human being, that we treat everyone we encounter with respect and openness, and that we embrace the world's diversity of cultures, nationalities, beliefs, races, genders, identities and abilities and respect and value all people in our organization, our business partners and the communities we serve, just as they are. On this basis, as a company whose strength lies in the breadth of the products and services that have been created through innovations that span the entire spectrum from the development of raw materials to the final product for the end user, we believe that our mission is to further advance our action in DE&I in our business through our brands, products, and services, and all corporate activities. By clearly stating this as a commitment, we disclosed the Kao Group's DE&I Policy, which commits to the aim of realizing a society in which all people can thrive authentically by practicing DE&I in cooperation with internal and external stakeholders. Based on this policy, in the workplace, we aim to become an inclusive and equitable organization where diversity is valued and is seen as our strength. For our business partners, we will build a sustainable supply chain by sharing values and cooperating with all business partners involved in *Yoki-Monozukuri*. And in our community, we aim to realize a Kirei society in which people are connected and fulfilled through people-first *Yoki-Monozukuri*.



Diversity, Equity and Inclusion Policy

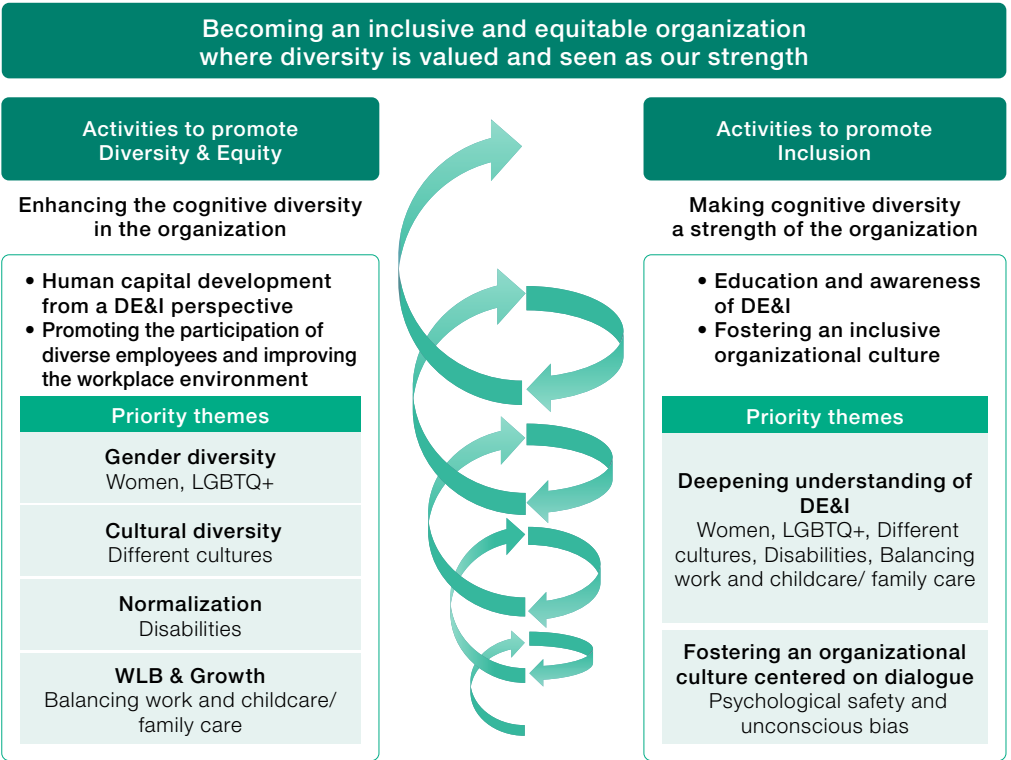
<https://www.kao.com/global/en/sustainability/walking-the-right-path/inclusive-diverse/dei/policy/>

Kao aims to maximize the power and potential of employees through *Global Sharp Top* human capital and organizational management as part of realizing the "Protecting future lives" vision under K27. Workplace DE&I is positioned as one of the key initiatives for creating equitable opportunities for all employees, as a foundation. To become an inclusive and equitable organization where diversity is valued and seen as our strength, we aim to enhance cognitive diversity* and make it a strength of the organization. To this end, as part of our diversity and equity promotion activities, we provide the necessary support and improve workplace environments so that diverse human capital can obtain equitable opportunities in environments where each individual can work comfortably.

In addition, through our inclusion promotion activities, we work to deepen every employee's understanding of DE&I and enable them to put it into practice. We also continue fostering an inclusive organizational culture in which each individual can express their unique strengths and fully realize their potential.

* Cognitive diversity: Internal diversity related to cognition, such as ways of perceiving and making judgments.

Overall framework of DE&I promotion activities for employees



(1) Human capital development from a DE&I perspective

To implement DE&I promotion activities tailored to the characteristics of each organization, we ensure that every organization identifies challenges from a DE&I perspective and engages in human capital development activities aimed at improvement. These activities include recruitment, development, evaluation, promotion, organizational culture improvement, and workplace environment improvement. Through these efforts, we enable all organizations to harness diversity effectively.

Related initiatives: [P269](#) Human capital development from a DE&I perspective, [P269](#) Women's empowerment, [P270](#) Promotion of empowerment of employees of LGBTQ+ communities, [P271](#) Promoting the participation of employees from different cultures, [P271](#) Promoting the participation of employees with disabilities, [P272](#) Support for balancing work and childcare, [P273](#) Support for balancing work and family care, [P274](#) Deepening understanding of DE&I, [P274](#) Fostering an organizational culture centered on dialogue

(2) Promoting the participation of diverse employees and improving the workplace environment

We provide the necessary support and workplace improvements from an equity perspective to ensure that diverse employees can thrive. By doing so, we empower each individual to fully utilize their capabilities, thereby enhancing the cognitive diversity of the organization.

Related initiatives: [P269](#) Human capital development from a DE&I perspective, [P269](#) Women's empowerment, [P270](#) Promotion of empowerment of employees of LGBTQ+ communities, [P271](#) Promoting the participation of employees from different cultures, [P271](#) Promoting the participation of employees with disabilities, [P272](#) Support for balancing work and childcare, [P273](#) Support for balancing work and family care, [P274](#) Deepening understanding of DE&I, [P274](#) Fostering an organizational culture centered on dialogue

(3) Education and awareness of DE&I

We continuously conduct awareness initiatives and training to deepen each employee's understanding of DE&I and enable them to put it into practice. Through these efforts, we embed DE&I into the organizational culture and drive behavioral change across the organization.

Related initiatives: [P269](#) Human capital development from a DE&I perspective, [P269](#) Women's empowerment, [P270](#) Promotion of empowerment of employees of LGBTQ+ communities, [P271](#) Promoting the participation of employees from different cultures, [P271](#) Promoting the participation of employees with disabilities, [P272](#) Support for balancing work and childcare, [P273](#) Support for balancing work and family care, [P274](#) Deepening understanding of DE&I, [P274](#) Fostering an organizational culture centered on dialogue

(4) Fostering an inclusive organizational culture

To realize an organization in which each employee can express their individuality and where employees accept and leverage one another's strengths, we foster an organizational culture centered on dialogue. Through these efforts, we promote the expression and integration of individual cognitive diversity and transform diversity into a strength of the organization.

Related initiatives: [P274](#) Fostering an organizational culture centered on dialogue

Impact generated by implementing the strategies

Kao is widely recognized as a provider of products that are close to consumers and always present in their daily lives. We believe our activities can have a broader impact on society as a whole, including consumers.

Financial impact

- Corporate growth through the provision of better products and services based on innovation that leverages diverse perspectives
- Productivity improvement driven by increased employee engagement in each individual
[P242](#) Human Capital Development > Targets and progress
- Enhanced employee retention and recruitment competitiveness, along with reduced hiring costs, through the company's growth into a more attractive workplace

Environmental and social impact

- Realizing an enriched lifestyle for consumers by providing products and services that meet the expectations of diverse values in the countries and markets where we currently provide products and services, as well as in regions with growing presence
- Raising awareness and momentum for DE&I across society as a whole

Strategic resilience

By fostering an organizational culture that respects the diversity of talent, we maximize each employee's abilities and perspectives and enhance the organization's creativity and adaptability. These efforts not only enable a flexible response to changing environments but also contribute to sustainable growth and the creation of social value.

Metrics and targets

To measure the increase in cognitive diversity within the organization and assess whether cognitive diversity has become a strength, we have established the % of female managers related to that of female employees and the score on "Inclusive organizational culture" in our employee engagement survey as key metrics. Through evaluating progress toward these targets, we continuously advance initiatives for further improvement.

Targets and progress

Strategy	Metrics	Results				Mid- to long-term targets	
		2022	2023	2024	2025	Target value	Year
(1) (2) (3) (4)	Score on "Inclusive organizational culture" in our employee engagement survey (perfect score: 100)	–	62	63	65	75	2030
(1) (2) (3) (4)	% of female managers related to that of female employees* * Calculated as a weighted average based on the number of managerial positions in each group company	75.9%	76.2%	78.1%	79.4%	100%	2030

We have fostered an inclusive organizational culture through various education and awareness initiatives aimed at deepening understanding of the significance of DE&I and promoting understanding and practice of psychological safety and unconscious bias. As a result, the score related to an "Inclusive organizational culture" in the Employee Engagement Survey has gradually but steadily improved. Going forward, we will further promote awareness across the group by sharing initiatives and best practices among Kao Group companies.

Although the % of female managers related to that of female employees—an indicator used to measure the level of achievement of the goal of aligning the ratio of female managers at each Kao Group company with the ratio of female employees at that company—has improved year by year, further improvement is particularly needed in Japan.

Accordingly, we will continue to steadily advance initiatives to promote women's empowerment, including support for balancing work and childcare to enable women to pursue their careers with motivation.

Situation of female employees (%)

		2022	2023	2024	2025
Employees	Kao Group	52.9	53.1	53.2	53.6
	Japan	55.9	56.0	56.5	56.8
	Of which, Kao Corporation	28.9	30.0	31.9	32.9
	Asia	44.6	44.2	44.2	44.2
	Europe	49.9	52.4	52.5	53.7
	Americas	51.2	53.0	48.6	52.5
All management positions	Kao Group	30.5	31.1	32.6	34.0
	Japan	22.4	24.6	26.5	27.7
	Of which, Kao Corporation	24.3	25.6	27.7	28.7
	Asia	47.6	45.9	46.0	46.3
	Europe	40.8	44.8	45.0	47.1
	Americas	53.3	48.6	46.7	48.5
% of female managers to that of female employees*1	Kao Group	75.9	76.2	78.1	79.4
	Japan	65.9	67.3	69.7	71.4
Top management positions*2	Kao Group	19.8	19.4	20.4	20.2
	Japan	10.6	11.8	11.9	13.0
Middle management positions*3	Kao Group	–	26.8	28.9	30.4
	Japan	–	19.0	20.7	22.3
Junior management positions*4	Kao Group	34.2	35.5	36.2	38.5
	Japan	26.8	29.6	31.8	33.2
Management positions in revenue-generating functions	Kao Group	29.7	30.5	29.9	34.1
	Japan	21.5	23.6	25.2	25.8
Employees in STEM related positions*5	Kao Group	23.9	24.9	25.8	26.0
	Japan	21.1	21.8	23.1	23.0

*1 An indicator showing the degree of achievement of the ratio of female managers relative to the ratio of female employees, calculated as a weighted average based on the number of management positions at each Kao Group company in each region.

*2 Position equivalent to department head

*3 Position equivalent to section manager, but with a certain level of responsibility

*4 Position equivalent to section manager, but without Middle management

*5 Science and Technology-related function

* Counted in enrolled companies unless otherwise noted. Employees include those from regular employment and those in full-time indefinite-term employment from non-regular employment. As of the end of December of each year. Employee coverage rate: 100%

Leadership

		2023			2024			2025			2026		
		Male	Female	Females as percentage of the total (%)	Male	Female	Females as percentage of the total (%)	Male	Female	Females as percentage of the total (%)	Male	Female	Females as percentage of the total (%)
Board of Directors	Directors* ¹	8 (3)	2 (2)	20.0	7 (3)	1 (1)	12.5	6 (3)	3 (2)	33.3	6 (3)	3 (2)	33.3
	Audit & Supervisory Board Members* ¹	5 (3)	0 (0)	0.0	4 (2)	1 (1)	20.0	3 (2)	2 (1)	40.0	3 (2)	2 (1)	40.0
	Subtotal	13(6)	2 (2)	13.3	11(5)	2 (2)	15.4	9 (5)	5 (3)	35.7	9 (5)	5 (3)	35.7
Executive Officers* ²		26	4	13.3	27	4	12.9	25	5	16.7	22	7	24.1
Total		39	6	13.3	38	6	13.6	34	10	22.7	31	12	27.9

*¹ The numbers in parentheses indicate the number of Outside Directors and that of Outside Audit & Supervisory Board Members.
*² Those who double as a Director are included.
* As of April 1 of each year

Average age (years old)

		2022	2023	2024	2025
Kao Corporation	All	40.9	41.1	40.8	40.6
	Male	41.4	41.6	41.0	40.8
	Female	39.9	40.1	40.2	40.1

Average length of employment (years)

		2022	2023	2024	2025
Kao Group	All	–	–	15.6	15.6
	Male	–	–	16.5	16.3
	Female	–	–	14.8	15.0
Kao Corporation	All	17.6	17.6	17.0	16.7
	Male	18.5	18.6	17.9	17.5
	Female	15.3	15.3	15.2	15.0

Percentage of employees with disabilities (%)

	2022	2023	2024	2025
Kao Group	1.34	1.56	1.54	1.67
Japan* ³ * ⁴	2.64	2.76	2.81	2.80
Kao Corporation* ³	2.56	2.61	2.60	2.57

*³ Employment rate as of June 1 including non-regular employees and based on government agency calculation standards
*⁴ The scope is as follows.
Eleven domestic affiliates that are classed as special subsidiaries under the Act to Facilitate the Employment of Persons with Disabilities (Kao Corporation, Kao Group Customer Marketing Co., Ltd., Kao Beauty Brands Counseling Co., Ltd., Kao Professional Services Company Limited., Kao Sanitary Products Ehime Co., Ltd., Kao Logistics Company Limited., Kao Business Associe Co., Ltd., e'quipe, LTD., Kao Cosmetic Products Odawara Co., Ltd., Kao Paper Manufacturing Fuji Co., Ltd., and special subsidiary Kao Peony Co., Ltd.)

* Counted in enrolled companies unless otherwise noted. Employees include those from regular employment and those in full-time indefinite-term employment from non-regular employment. As of the end of December of each year. Employee coverage rate: 100%

Average annual salary (base salary + other cash incentives) (yen)

		2022		2023		2024		2025	
Kao Group	Management level + Non-management level	5,733,874		6,276,878		6,620,812		6,886,249	
		Male	Female	Male	Female	Male	Female	Male	Female
Kao Group	Management level	10,986,981	11,693,822	11,205,314	11,591,636	11,645,661	12,494,415	12,088,706 ☒	12,682,314 ☒
	Non-management level	4,605,267	4,171,253	4,935,818	4,907,955	5,107,692	5,198,382	5,308,466 ☒	5,421,785 ☒
	Management level + Non-management level	–	–	6,725,064	5,803,608	6,978,488	6,243,281	7,281,841 ☒	6,486,258 ☒
Japan	Management level	9,929,145	8,956,520	10,081,759	9,009,108	10,075,181	9,109,514	10,718,012	9,616,477
	Non-management level	5,516,230	4,143,616	5,610,093	4,739,378	5,756,799	4,886,267	6,056,580	5,118,087
	Management level + Non-management level	–	–	7,198,545	5,210,928	7,326,394	5,405,830	7,796,662	5,700,293
Of which, Kao Corporation	Management level	10,259,143	9,263,127	10,340,101	9,351,123	10,341,938	9,412,972	10,957,289	9,894,172
	Non-management level	5,625,237	5,411,537	5,712,784	5,611,314	5,958,568	5,841,938	6,246,491	6,209,390
	Management level + Non-management level	–	–	7,563,711	6,960,160	7,740,988	7,203,555	8,274,751	7,662,152

* No differences in compensation systems based on gender have been identified; compensation is determined based on roles and performance. Any differences between men and women are attributable to differences in workforce composition by grade.

* Excluding short-time employees, employees on leave, and employees who joined or left the company during the fiscal year

* ☒: Third-party assurance obtained

Average annual base salary (yen)

		2022		2023		2024		2025	
		Male	Female	Male	Female	Male	Female	Male	Female
Kao Group	Management level	7,742,661	8,837,789	7,906,880	8,735,110	8,334,096	9,528,721	8,728,966 ☒	9,734,052 ☒
	Non-management level	3,418,174	3,119,435	3,748,927	3,731,347	3,910,635	4,014,133	4,075,983 ☒	4,213,003 ☒
	Management level + Non-management level	–	–	4,935,561	4,401,881	5,176,379	4,803,903	5,430,224 ☒	5,022,449 ☒
Japan	Management level	6,519,040	5,893,010	6,572,064	5,895,901	6,589,817	5,983,060	7,097,650	6,379,963
	Non-management level	3,783,388	2,961,574	3,821,684	3,348,308	3,925,963	3,451,836	4,089,836	3,574,805
	Management level + Non-management level	–	–	4,798,691	3,629,665	4,894,190	3,763,238	5,212,633	3,937,864
Of which, Kao Corporation	Management level	6,568,940	5,909,540	6,630,070	5,969,144	6,634,883	6,024,834	7,206,886	6,456,178
	Non-management level	3,731,043	3,582,457	3,756,405	3,694,474	3,931,222	3,864,632	4,103,571	4,110,332
	Management level + Non-management level	–	–	4,905,871	4,514,885	5,030,618	4,688,306	5,439,721	5,035,205

* No differences in compensation systems based on gender have been identified; compensation is determined based on roles and performance. Any differences between men and women are attributable to differences in workforce composition by grade.

* Excluding short-time employees, employees on leave, and employees who joined or left the company during the fiscal year

* ☒: Third-party assurance obtained

* Counted in enrolled companies unless otherwise noted. Employees include those from regular employment and those in full-time indefinite-term employment from non-regular employment. As of the end of December of each year. Employee coverage rate: 100%

Effective Corporate
Governance

Full Transparency

Respecting Human
Rights

Human Capital
Development

> Inclusive & Diverse
Workplaces

Employee Wellbeing
& Safety

Responsible
Chemicals
Management

Gender pay gap (Average annual salary (base salary + other cash incentives)) (%)

		2022	2023	2024	2025
Kao Group	Management level	106.4	103.4	107.3	104.9
	Non-management level	90.6	99.4	101.8	102.1
	Management level + Non-management level	–	86.3	89.5	89.1
Japan	Management level	90.2	89.4	90.4	89.7
	Non-management level	75.1	84.5	84.9	84.5
	Management level + Non-management level	–	72.4	73.8	73.1
Of which, Kao Corporation	Management level	90.3	90.4	91.0	90.3
	Non-management level	96.2	98.2	98.0	99.4
	Management level + Non-management level	–	92.0	93.1	92.6

* Ratio of women to men

* No differences in compensation systems based on gender have been identified; compensation is determined based on roles and performance. Any differences between men and women are attributable to differences in workforce composition by grade.

* Counted in enrolled companies unless otherwise noted. Employees include those from regular employment and those in full-time indefinite-term employment from non-regular employment. As of the end of December of each year. Employee coverage rate: 100%

Governance

To further advance DE&I initiatives across all business activities, including brands, products, and services, Kao convenes a Human Rights and DE&I Steering Committee once a month. This committee operates under the ESG Managing Committee and is led by the Executive Officer in charge of Human Capital Strategy.

The Human Rights and DE&I Steering Committee promotes activities across the group to improve human rights and DE&I not only for employees, but also for all Kao stakeholders, including the supply chain and society at large. This committee also checks the activities of each division and reports the status of activities to the ESG Managing Committee.

For initiatives in the workplace, under the supervision of the Board of Directors, DE&I, HCS, led by the Executive Officer in charge of Human Capital Strategy, serves as the primary department responsible for implementing initiatives that contribute to the creation of inclusive and diverse workplaces.

Key DE&I decisions are made with the participation of top management through discussions and approvals at the Human Capital Development Committee, which meets once a month.

Regarding the implementation of DE&I promotion initiatives across domestic group companies and related challenges, discussions are held at the Human Capital Development Meeting, which convenes once a month. This meeting consists of the supervisor of the Human Capital Strategy Division and the supervisors of human capital development at each division and company.

In the Americas (indicating consumer product-related group companies in the U.S., Canada, Australia, and New Zealand) and EMEA (indicating consumer product-related group companies in Europe, the Middle East, and Africa), Kao Corporation's DE&I, HCS collaborates with DE&I promotion leaders in each region to share information and exchange opinions. Activities are promoted locally in alignment with the specific challenges of each region.

In the Americas, a Diversity, Equity & Inclusion Board (DE&I Board) has been established as an internal organization representing employee diversity. This board supports employees' diverse needs. The DE&I Board conducts activities to foster a diverse, equitable and inclusive corporate culture.

In EMEA, a DE&I Steering Board has been established, consisting of senior team members representing all business sectors.

Additionally, Kao Communities, which includes nine Employee Resource Groups (ERGs), has been set up to further support DE&I initiatives. These communities pursue activities related to Gender Equity, Cultural Diversity (including ethnicity), All Abilities (focusing on disability and neurodiversity), LGBTQIA+ All Stars, Parents (families with small children), Fertility Support, Menopausal support, International Languages, and Mental Health & Wellbeing.

Risk and opportunity management

Management process

The progress of initiatives toward inclusive and diverse workplaces is managed through a structured process of plan formulation, activity implementation, evaluation, and corrective action, ensuring continuous improvement.

P (Planning)

Identify key focus areas based on policies and goals.

D (Implementation)

See initiatives (P269-274) for details.

C (Evaluation of results)

Conduct a comprehensive assessment of activity outcomes based on employee engagement surveys, employee awareness surveys on DE&I, questionnaires on various activities, progress evaluations of key metrics, and external evaluations.

A (Corrective action)

Identify additional issues based on evaluation results and implement corrective measures.

Initiatives

At Kao, we implement various initiatives to create inclusive and diverse workplaces. These initiatives are based on the previously mentioned strategy and are promoted in collaboration to achieve our goals. Below, we introduce some of the key initiatives among our many efforts.

Strategy			Initiatives		
Diversity & Equity promotion	(1) Human capital development from a DE&I perspective (2) Promoting the participation of diverse employees and improving the workplace environment	Women's empowerment	Career awareness enhancement through showing role models and roundtables with female leaders (Japan)	Training for managers on diversity management (Japan)	Gender Equity Community (EMEA) Kao Network of Women (Kao Now) (Americas)
		Promoting the participation of employees of LGBTQ+ communities	LGBTQ+ Pride Month awareness initiatives (Japan, Americas, EMEA)	Providing learning opportunities about LGBTQ+ topics (Japan)	HR systems from the perspective of respecting diversity (Japan)
		Promoting the participation of employees from different cultures	Events to celebrate cultural diversity (EMEA)	Black Leaders at Kao (Americas)	Courageous Conversations (Americas)
		Promoting the participation of employees with disabilities	Disability employment support month awareness initiatives (Japan)	Proactive employment of people with disabilities (Japan)	Mutual understanding and communication support with colleagues (Japan)
		Support for balancing work and childcare	Fostering awareness of "both work and childcare" (Japan)	Expanding support for "working" (Japan)	Establishing a communication flow from pregnancy to childcare leave and return to work (Japan)
		Support for balancing work and family care	Provision of information about balancing work and family care (Japan)	Awareness initiatives on balancing work and family care (Japan)	Setting up consultation desks (Japan)
Inclusion promotion	(3) Education and awareness of DE&I	Deepening understanding of DE&I	Information sharing on the DE&I portal and revitalizing community for exchanging opinions (Japan)	Publishing articles highlighting employee diversity (Japan, Americas)	DE&I Upskilling and Training (EMEA)
	(4) Fostering an inclusive organizational culture	Fostering an organizational culture centered on dialogue	Psychological safety training (Japan)	Unconscious bias training (Japan, Americas)	DE&I training sessions (EMEA)

Human capital development from a DE&I perspective

Region: Global

Corresponding strategy: (1)

We make great efforts, including selecting key human capital, to hire, evaluate, educate, and promote employees based on their individual abilities regardless of other attributes. Even in meetings related to personnel affairs attended by executives, we ensure diversity while checking for bias, etc. in the attributes of candidates for senior positions.

In Japan, DE&I challenges vary depending on organizational functions and other factors, so DE&I, HCS at Kao Corporation holds regular individual DE&I promotion meetings with human capital managers and career coordinators of each division and domestic group company. During these meetings, DE&I-related data for each organization is shared, and year-on-year changes are reviewed to clarify issues related to human capital development from a DE&I perspective.

Based on these discussions, each organization formulates its DE&I promotion plan and implements initiatives in alignment with its human capital development activities.

Related Initiatives > Human capital development from a DE&I perspective

Women's empowerment

Region: Global

Corresponding strategy: (1) (2) (3) (4)

We believe that women's empowerment is essential to Kao's growth as one of the diversity factors that involves the largest number of employees. Based on this belief, we have established a policy of creating a workplace environment and fostering a corporate culture in which all employees can go beyond their own assumptions*1, fully demonstrate their motivation and abilities, and thrive in their own way regardless of gender. We are promoting initiatives to advance women's empowerment in line with this policy.

In Japan, where there is a gap between the percentage of female managers and

*1 Gender roles in the division of labor, and the image of a leader, etc.

the percentage of female employees, we are working on the following three priority actions with the aim of incorporating diverse perspectives into various decision-making processes:

- Develop talent who aspire to and are capable of taking on leadership roles
- Support employees in balancing childcare and work so they can remain highly engaged
- Create an environment that enables development and promotion free from bias

In 2025, in Japan, we continued our efforts from previous years by dispatching female employees with strong future potential to external training programs at each career level and organizing small-group roundtable discussions with former female executives for management candidate pools, thereby enhancing leadership skills and career awareness.

In addition, to create an environment in which diverse members, including women, can take on challenges and grow, we held a diversity management seminar for managers featuring an external expert and the head of the Human Capital Strategy Division as panelists. Furthermore, we conducted a survey targeting primarily all non-managerial female employees to explore their perspectives on career advancement and the barriers they face, as well as interviews with women in senior positions regarding challenges encountered in their career development. Based on these findings, we are conducting analyses to identify bottlenecks to women's empowerment and exploring new measures to address these challenges. As a result of our continued efforts, Kao Corporation was selected in March 2026 as a "Nadeshiko Brand," a designation jointly administered by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, recognizing companies that demonstrate excellence in promoting women's advancement.

In the Americas, the ERG Kao Network of Women held a Women's Engagement Forum to commemorate Women's Equality Day and organized a panel discussion to celebrate International Women's Day, deepening employees' understanding of strategies to accelerate gender equity.

In EMEA, the ERG Gender Equity Community hosted International Women's Day events across the region. Through keynote speeches, panel discussions, and networking events, the initiatives reaffirmed EMEA's commitment to gender equity.

Related Initiatives > Women's Empowerment



Senior Vice President,
Human Capital
Strategy, awarded the
Nadeshiko Brand
Selection Certificate



Moments from an EMEA event

Promoting the participation of employees in the LGBTQ+ communities

Region: Global

Corresponding strategies: (1) (2) (3) (4)

Under the policy of aiming to create an environment where all employees are respectful of sex, gender identity and gender expression, and sexual orientation, and all employees can authentically express themselves so that we can foster an organizational culture where all employees can fully develop their potential, we are creating work-friendly workplaces for LGBTQ+ employees and fostering such a culture.

As part of these efforts, we conduct awareness-raising activities to deepen employees' understanding of gender diversity. In 2025, in Japan, we launched a special page on the DE&I portal* during Pride Month in June, featuring content designed to deepen employees' understanding of gender diversity and encourage them to reflect on it personally. In addition, we implemented initiatives to raise awareness among employees, including displaying posters at Kao Corporation and certain affiliated company sites and distributing rainbow-themed candy.



Pride Month awareness display on site

In the Americas, the ERG Kao Pride carried out a series of initiatives under the theme Glow With Pride, including activities in which employees shared their personal experiences, as well as participation in the Cincinnati Pride Parade and Festival.

In addition, we newly established the ERG "Kao Pride AUNZ" in Australia, where we demonstrated Kao's commitment by hosting learning events on supportive behaviors and participating in local community events.

In EMEA, employees deepened connections across countries by participating in community Pride events and hosting Pride-themed lunch and drink gatherings.



Moments from an EMEA event

* DE&I portal: An information provision site for group employees in Japan to learn about and practice DE&I.

Related Initiatives > Promoting the participation of employees in the LGBTQ+ communities

Promoting the participation of employees from different cultures

Region: Global

Corresponding strategies: (1) (2) (3) (4)

We are improving the working environment and fostering a culture where employees of different nationalities, ethnicities, and other cultural backgrounds can work with peace of mind. This is taking place under the policy of improving the environment where employees from different cultures are motivated to demonstrate their unique capabilities, and fostering an organizational culture where each employee respects differences in culture, language and concept of values, which will be the company's strengths.

As part of these efforts, in Japan, we publish articles introducing foreign-national employees and their colleagues to encourage employees to recognize nationality as an aspect of workplace diversity and to relate to it personally. In 2025, in the Americas, we provided opportunities throughout the year for employees to reflect on topics such as social justice and equity. In addition, the ERG Black Leaders at Kao hosted events commemorating such as Black History Month encouraging employees to reflect on cultural roots, inherited values, and history, and to reaffirm the importance of community, freedom, and equity. In EMEA, we held Black History Month events at multiple sites. By fostering employee dialogue and learning, we deepened understanding of cultural backgrounds by honoring the history, culture, and societal contributions of Black communities.

In addition, the ERG International Languages Group hosted a panel session on cultural understanding in multilingual environments. Through the sharing of personal experiences by panelists, the session deepened understanding of inclusive communication in settings where language proficiency varies and provided practical insights for application.

Related Initiatives > Promoting the participation of employees from different cultures



Moments from the panel session

Promoting the participation of employees with disabilities

Region: Global

Corresponding strategies: (1) (2) (3) (4)

We regard disability as a type of diversity and promote activities based on the policy of "Striving for a society where people with and without disabilities work and live together, we create workplace environments for employees with disabilities that make life easier for them and foster a sense of pride in one's work."

In Japan, employees with disabilities are assigned to a wide range of organizations and contribute as members of their respective teams, regardless of disability. To enable employees with disabilities to fully demonstrate their abilities in the workplace, we provide various forms of support. For example, we offer speech recognition applications to employees with hearing impairments and assign workplace supporters at each site to whom employees can consult regarding work-related concerns. In addition, to deepen employees' understanding of disabilities, we conduct awareness-raising activities for all employees. In conjunction with the Employment Support Month for People with Disabilities in September, we publish a dedicated intranet page on disability awareness and hold seminars on neurodiversity.

In addition, Kao Peony Co., Ltd., a special subsidiary, has actively employed people with intellectual disabilities, including those with severe disabilities, since its establishment in 2005. The company engages in set assembly and packaging operations for cosmetics and beauty care products, as well as administrative support services.

Peony aims to expand employment opportunities for people with disabilities while contributing to the Kao Group. To this end, it has actively undertaken operations outsourced by group companies. In 2025, it newly established a business card printing system and began accepting such orders.

Related Initiatives > Promoting the participation of employees with disabilities



Production at the Kao Peony Production Division



Business card case designed by
employees with disabilities

Support for balancing work and childcare

Region: Global

Corresponding strategies: (1) (2) (3) (4)

Under the policy of “supporting each and every employee in balancing work and private life while fully demonstrating their ambition and abilities,” we have positioned this as one of the priority actions for promoting women’s empowerment and are proceeding with our initiatives.

In Japan, we have been working on three priority actions to “raise awareness of the people involved,” “support career development,” and “promote smooth operation of workplaces” with the aim of realizing “working with high motivation to achieve one’s own career objectives” while raising children, regardless of gender.

As part of these efforts, to eliminate deeply rooted gender role stereotypes in Japan, we

have made the seminar for building a work–childcare balance framework mandatory for employees who are expecting a child or whose partner is pregnant. By helping participating employees recognize and overcome unconscious gender-based assumptions, we aim to foster an awareness that, regardless of gender, supports both work and childcare rather than requiring employees to choose between the two.

Additionally, we have expanded support measures to enable motivated employees to continue working by assisting employees in returning to work at their desired timing, as well as providing support to balance work and childcare during business trips, peak work periods, and other demanding times.

In EMEA, we provide return-to-work support programs, including phased reintegration and a buddy system. In addition, the ERG Parents Community raises awareness of the resources available at Kao.

Related Initiatives > Support for balancing work and childcare

Status for childcare, nursing care and family care

		2022	2023	2024	2025
Percentage of employees taking maternity/paternity leave (male) (%)	Japan	95.6	100.5	95.8	92.7
	Kao Corporation	109.4	102.1	96.8	90.1
Percentage of employees taking maternity/paternity leave (female) (%)	Japan	107.9	113.7	99.8	99.8
	Kao Corporation	108.7	104.0	100.0	104.8
No. of employees taking reduced working hours or staggered working hours to meet childcare responsibilities (male)	Japan	1	4	3	6
	Kao Corporation	1	3	2	6
No. of employees taking reduced working hours or staggered working hours to meet childcare responsibilities (female)	Japan	268	310	417	390
	Kao Corporation	41	49	61	53
No. of employees taking nursing care or family care leave (male)	Japan	1	2	0	0
	Kao Corporation	0	1	0	0
No. of employees taking nursing care or family care leave (female)	Japan	7	7	4	2
	Kao Corporation	1	1	2	0
No. of employees taking reduced working hours or staggered working hours to meet nursing care or family care responsibilities (male)	Japan	0	1	0	0
	Kao Corporation	0	0	0	0
No. of employees taking reduced working hours or staggered working hours to meet nursing care or family care responsibilities (female)	Japan	5	3	3	6
	Kao Corporation	0	0	0	1

* Counted in enrolled companies unless otherwise noted

* Employees include those from regular employment and those in full-time indefinite-term employment from non-regular employment.

* The maternity/paternity leave acquisition rate is calculated by each employing company in accordance with the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, as the ratio of employees who have taken childcare leave and childcare-related leave.
Number of male employees who took their first leave for childcare in the relevant year ÷ Number of male employees who had a child born in the relevant year × 100
Kao has implemented a mandatory paid childcare leave system, which is included in the calculation of the maternity/paternity leave acquisition rate, and all employees with newborn children take this leave. However, in the calculation of the maternity/paternity leave acquisition rate based on the law, the scope of the numerator and denominator differs due to differences between the fiscal year and the deadlines for taking the leave or maternity/paternity leave, and therefore the rate does not necessarily reach 100%.



Support for balancing work and family care

Region: Japan

Corresponding strategies: (1) (2) (3) (4)

Under the policy of supporting work-life balance, the aim of which is to provide support so that all employees can fully demonstrate their motivation and skills and participate in the workplace while balancing their work and personal lives, we are striving to improve the working environment and foster a culture where striking a balance between work and family care can be achieved. We aim to enable each individual to act independently and provide assistance based on a spirit of mutual support.

As part of these efforts, we have created and published the Handbook for balancing Work and Family Care, which provides basic family care knowledge, details on company support programs, information on government services, and workplace communication guidelines to support balancing work and family care as part of information-sharing and communication support.

Furthermore, to coincide with Family Care Day in November, we publish a special page that consolidates policies and information on supporting the balance between work and family care, and hold seminars on balancing work and family care covering various themes.

Related Initiatives > Support for balancing work and family care

Major initiatives for supporting diversified work styles: Related to childcare, nursing care, and family care (Kao Group in Japan excluding some affiliates)

Major initiatives	Content	
	Childcare related	Nursing care and family care related
Leave	In principle, maternity/paternity leave can be taken until the end of April following the child's first birthday.	Nursing care and family care leave can be taken for a maximum period of one year and may be divided into up to three blocks of time.
Paid childcare leave	Paid leave (ten working days) must be taken during the period until the end of the first April after the child turns one year old.	
Reduced working hours and staggered working hours	During the period until the end of April following the child's first birthday: - Specified working hours can be reduced by up to four hours per day. - The number of specified working days can be reduced by up to two days per week (i.e., working three days per week).	The following programs (1) to (3) may be used for a combined maximum period of three years (they may be divided into up to two separate periods): (1) Reduced working hours: Specified working hours can be reduced by up to two hours per day. (2) Flexible working arrangements: Employees may work three full days per week or half-days across five days per week. (3) Staggered working hours: The specified starting and finishing times of work can be adjusted by up to two hours per day.
	During the period until the child completes the third grade of elementary school: - Specified working hours can be reduced by up to two hours per day. - The specified starting and finishing times of work can be adjusted by up to two hours per day.	
Restriction on extra working hours	During the period until the end of April following the child's entry into the first grade of elementary school, the employee may request limitations on or exemption from overtime work, work on holidays, and late-night work.	Limitations on or exemption from overtime work, work on holidays, and late-night work may be requested.
Child Care Time	Female employees caring for newborns and infants less than one-year-old are eligible for 30 minutes of childcare breaks up to twice per day. If the employee uses Child Care Time, wages will be paid for the applicable hours worked.	
Special leave for Short-term and Long-term Family Care	Special paid leave of up to 5 days every year is available when short-term leave is needed for emergency care of sick or injured children, for the child's vaccination appointments and health check-ups, for class closures due to infectious diseases, etc., and for entrance and graduation ceremonies, until the child completes the third grade of elementary school. It may be taken on a full-day, half-day, or hourly bases.	Special paid leave may be taken when an employee needs to take leave to provide nursing care or family care which is applicable for spouses, children, the employee's parents, the employee's parents-in-law, grandparents, siblings or grandchildren (40 days or 20 days granted per year). It may be taken on a full-day, half-day, or hourly basis.
Full time Remote Work	- In any unavoidable circumstances for childcare, nursing care, and family care, we allow employees to work from home. - One condition is that the employee is engaging in work that would not be hindered by working outside of the office.	

Deepening understanding of DE&I

Region: Global

Corresponding strategy: (1) (2) (3)

To help employees develop a deeper understanding of DE&I and integrate it into their own actions, we conduct various educational and awareness-raising activities. In 2025, to enhance the level of DE&I across the Kao Group, we appointed DE&I Ambassadors at each Kao Group company and launched the “DE&I Empowerment Program,” beginning with the global release of a message from the top on the significance of DE&I within the Kao Group. In addition, in Japan, the Americas, and EMEA, we implemented various awareness-raising initiatives, including disseminating information on priority themes, holding events and seminars, and publishing articles introducing employee case examples to further promote understanding of DE&I.

Related Initiatives > Deepening understanding of DE&I



Top management message delivery

Fostering an organizational culture centered on dialogue

Region: Global

Corresponding strategy: (1) (2) (4)

To realize an organization in which diverse employees can fully express their individuality and where their strengths are embraced and leveraged, we are fostering an organizational culture centered on dialogue. In 2025, in the Kao Group in Japan, we made “Unconscious Bias e-Learning” mandatory for non-management employees. As a result, all employees have completed the e-learning programs on psychological safety and unconscious bias that were launched in 2023. We will continue to implement these learning initiatives on an

ongoing basis to further embed them into our organizational culture. In the Americas, we continued to provide training on microaggressions and racial discrimination awareness. In EMEA, as part of the Essential DE&I Training, we conducted training on microaggressions and inclusive behaviors.

Related Initiatives > Fostering an organizational culture centered on dialogue

Employees'
opinions

Embedding DE&I into our culture: Gender equity and wellbeing at Kao EMEA



Cecilia Ayelen Malanga
EMEA Human Capital
Development
Learning & Development Partner

As a member of the Gender Equity Community and Mental Health Group at Kao EMEA, I am proud to be part of an organization that prioritizes these important topics, and empowers employees to co-create meaningful DE&I initiatives. Since joining both groups, I contributed to impactful projects with passionate colleagues: for instance, in 2025 our Gender Equity Community organized International Women's Day events across London, Darmstadt, and Amersfoort. In London, we hosted a panel featuring employees from diverse backgrounds and genders, sharing perspectives on gender equity. The event included in-person networking and live streaming for remote colleagues, alongside an interactive campaign with a Women's History Quiz. I also enjoy my role in the Mental Health Group, where we provide resources and guidance on wellbeing. This year, I led a quarterly Wellbeing Bulletin, sharing tips and insights—a perfect fit with my background in psychology. These experiences have shown me how much connects us beyond our different backgrounds, and that Kao is a place where collaboration fosters inclusion and belonging.

Employees'
opinions

Delivering joy to consumers together with colleagues who share the same passion



Kana Saito
Personal Health Care Products
Development
Product Business Development
Health Beauty Care Business
Kao Corporation

I have worked in marketing for various brands and, drawing on that experience, I am now involved in developing personal health care products such as *MegRhythm* in the product development division. I find great fulfillment in working collaboratively with members from different departments to bring to life products that could never be created by one person alone. At times, opinions may differ, but we all share a strong desire to be of service to consumers. By engaging in close and thoughtful communication and aligning on key priorities, we are able to move forward together. I feel truly grateful to work each day surrounded by colleagues who are passionate about what they do.

I have a disability involving the loss of my left forearm, but at Kao, while appropriate accommodations are provided, I have never felt limited. When I encounter challenges, my colleagues naturally offer support. I believe this is not because of my disability, but because Kao has long valued diversity as part of its culture. Because we respect diversity and foster an environment where everyone can take on challenges, I will continue to create new value for consumers together with my colleagues.