







Innovation is an eternal cycle. Started from an aspiration, processed with technology, and ended as a solution.

## Innovation, A Form of Care Amidst Change





Kao is present among the society to carry the vision of future. Since the first time we started our journey in Indonesia, 35 years ago, we have committed to always prioritize our consumers through good quality of products and services.

We are not a company that gets satisfied easily, but we continuously challenge ourselves with unlimited imagination and innovation. Every small and big step is taken to accomplish a common goal, which is to create the quality of clean, healthy, and beautiful living. With the spirit of Yoki-Monozukuri, Kao has successfully pushed forward an outstanding achievement from a body-soap producer to a company with a row of quality world-class brands and products. The world keeps changing, and we keep on adapting to the change. We realize the spirit of Yoki-Monozukuri through a new strategy of Environmental, Society, and Governance (ESG), that is 'Kirei Lifestyle Plan'.

The success key to realizing the 'Kirei Lifestyle Plan' is caring innovation. We not only create useful products but also ensure that our products will not harm the sustainability of environment. Where shall we start our innovation? We will keep on coming, looking, and asking our consumers about their needs. Then, what is this all innovation we have done for? It is to provide solutions for the improvement of our consumer's quality life. Kao will keep on innovating at the various aspects of daily life and placing our customers as the starting point as well as the ending goal of all our best efforts.

#### History of 35 Years Journey of Kao Indonesia



The first time Bioré Facial Foam was launched, and its success was followed by the launch of Bioré Body Foam.

1987



The first time Attack Detergent was launched as the first concentrate detergent in Indonesia.

1992

## 1985

Kao Corporation, which has been established since 1887 in Japan, took a big step by cooperating with PT Dino Indonesia Industrial Ltd., which has been producing Dino Detergent since 1969. The cooperation of these two companies is still named as PT Dino Indonesia Industrial Ltd. The first time Laurier sanitary napkin was launched, and it was followed by the launch of Laurier Maxi in 1992.

1989



#### 1996

The first time Men's Bioré was launched in Indonesia because of our care for men's need of skin products.





PT Dino Indonesia Industrial Ltd. joined PT Dino Kao Indonesia, which was formed in 1990. With the joining of these two companies, the name of the company was changed to PT Kao Indonesia.



Kao Indonesia launched Attack Batik Care, which is specially create to meet the needs of Indonesian consumers in caring for Batik as the cultural heritage.



#### **1997**

### **200**7

### 2010 2014

The first time Attack Easy Detergent was launched in Indonesia.

In the same year, Cikarang Factory was inaugurated.





Jaz1 Detergent and Merries Good Skin Baby Diapers were launched for the first time because of Kao's care for the needs of Indonesian people who still wash with their hands and for the growth of Indonesian babies who are free from skin irritation.

In the same year, for the first time, Kao Indonesia expanded its factories to Karawang.





Innovation is not a word of promise but a commitment of a proven creation.

Strength of Commitment Through Challenge





The journey of 130 years has formed Kao Group into one of well-known consumer goods companies in the world. All can be realized due to the consistency of all elements of this company in applying the Kao Way, Kao Group's basic philosophy that puts consumers as our first priority. We are fully aware that Kao's consumers deserve the best benefits from the products they buy. In line with the strategy of Kao's Environmental, Social, and Governance (ESG), namely 'Kirei Lifestyle Plan', we ensure that our consumers get continuous benefits that can contribute to the quality improvement of their healthy, clean, and beautiful living for today and tomorrow. Developing sustainable products surely needs commitment and care. Through continuous innovation, Kao Group is always adaptive to respond to the change in consumer's needs and wants by prioritizing quality products, services, as well as preservation of environment.

Having hundreds of millions of people with a vast demographic background, Indonesia has created extraordinary challenges for Kao to continuously develop to be better. In these 35 years, various innovations packed in the products of Bioré, Attack, Laurier, Merries, Magiclean and Megrhythm have been the choice of Indonesian consumers. We are very proud and fully committed to constantly keep this trust for the future.

On this occasion, Kao Group would also like to express deepest condolences to our fellow Indonesians who have lost their loved ones to COVID-19. We also extend our sympathy to the patients and their families, doctors, medical and public health professionals, including all supporting lines in production, logistics, and sales, who are working hard to overcome this global pandemic. Kao Group commits to prioritize the health and safety of all our stakeholders, including our customers and our employees and their families by working hard to prevent the spread of COVID-19.

We at Kao remain committed to our corporate philosophy, The Kao Way, and we will move forward as a strong and united organization to fulfill it. We hope all our consumers, customers, and business partners continuously believe that their daily life with all its simple joys will surely return. Kao is at your side. We will get through this together.

Warm Regards.

President and Chief Executive Officer of Kao Corporation **Michitaka Sawada** 

Wholehearted innovation, maintaining consumer's trust.

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Earnestness in Maintaining The Trust



Sustaining the company's performance and positive growth always creates extra-ordinary challenges. The synergic changes of every aspect in the company would be an absolute key-point to accelerate the ability in adapting to business demands and consumer needs. Even though it is not easy, we keep on growing to be the best with the full support of all parties.

The similar thing happened in this year of 2020. It has been a year of full challenges not only for Kao and Indonesian people, but also the world. A lot of aspects of life need to be changed in order to protect the health of ourselves and our loved ones. Kao Indonesia also shares the same condition and adapts to these various changes. The health and safety of our employees, consumers, and stakeholders have become our first priority. In these circumstances, Kao Indonesia continuously commits to be the closest to the consumer and customer by taking an active role in presenting and providing the best hygiene products as well as to ensuring their availability to the consumers.

Kao Indonesia always sets our commitment to put the consumer as the platform of entire business activities conducted from then to this year, the 35th year of our service. As the shareholder, Rodamas will continuously take a full role, responsible and get ready for making strategic decision to lead Kao Indonesia to be a world class company. Satisfaction of being a good company should not be our ultimate goal, because our main goal is bringing Kao Indonesia as a leading company with the best achievement. In a continuous and sustainable way, Kao Indonesia has been promoting the wholehearted innovation to maintain the trust of our consumers.

On behalf of Kao Indonesia Management, we express our biggest gratitude and appreciation to all employees as the big family of our company, Kao Corporation and affiliates, as well as the entire corporate stakeholders and business partners who have given their greatest support to Kao Indonesia and have grown together with us in providing the best for people and consumer of Indonesia. Thank you for all this time achievement. Yet, this is not the end of our phase. We still have long way to go, and we believe that the support of all parties would be the important key to success.

Greeting of Caring Innovation.

President Commissioner of PT Kao Indonesia **Mucki Tan Pei Ling** 

In a continuous and sustainable way, Kao Indonesia keeps on encouraging innovation whole-heartedly to maintain the trust of our consumers.

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### PT Kao Indonesia Management

A commitment to care and sustainability is always the foundation of every step and strategic decision of Kao Indonesia.



We always want to be the closest to consumers through product innovation and future-oriented services.

Diana L. Laksmono





Pantjoro Kurniawan Director, VP Finance & Accounting, IA, Logistic



Innovation is the thought of many heads, and the work of many hands.

# Firm Togetherness in Diversity





Like a puzzle, innovation comes out of many elements. Different shapes and colors unite to make a meaningful big picture.

That is how Kao Indonesia views diversity. Our human resources are very diverse and not limited to culture, faith, race, or gender. With thousands of employees spread in almost all region in Indonesia, we all have been collaborating endlessly to create brands, products, and services contributing to the improvement of our consumer's quality life.

In order to care for our consumer's changing needs and tastes, we apply a dynamic and productive working environment that drives innovation. Every year we invite all our employees to participate in the Quality Control Circle Award (QCC) to find innovative ideas that can increase efficiency and productivity in our factories. Digitalization of QC is one of examples of employee's innovation contribution that already proven in the company's working system.



Openness towards change and difference should be supported with good internal relations. Internal communication between employees is maintained through various activities between employees to increase the spirit of cooperation, togetherness, and mutual respect. We promote the creation of work-life balance and innovation to all members of our big family. With the positive spirit, integrity, as well as innovation, we ensure that every element in our company, from the managerial to the operational field, aims at the same goal. As part of Kao Corporation network, Kao Indonesia employees must have a high competitive value. In a regular and planned way, we conduct training and development programs for all levels of employees through a variety of Internal Learning and Development Programs. We would like to establish creativity and team energy, which become a driving spirit for company development both locally and globally. We continue creating each and every innovation in order to improve the prosperity of our own, families, consumers, and Indonesian people with the foundation of values we hold dearly in the Kao Way.

We Care, We Innovate, We Do Everything in the Kao Way



Innovation chases time, reaches space.

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## **Tenacity through Obstacles**



#### When water runs from upstream to downstream, it carries benefits to an unlimited place and life.

Ensuring a product to arrive at a consumer's place well is a form of Kao's commitment to best products and services for our consumers. To support this commitment, we conduct an integrated system of production, sales, and distribution. At present, Kao has managed one head office, two production facilities and logistics centers, seven sales representative offices, and hundreds of distributors spread in almost all regions of Indonesia. With a category of products serving various segments of consumers in Indonesia, competency in managing a system of production and sales is a must for market successes. We ensure a product sustainability that is able to meet the needs of millions of customers with the support of high-technology innovation. The manufacturing flows integrated with sales and marketing needs are managed through a system and technology, allowing a real-time monitoring.

A long process resembling a braid of links can only take place because of a good team-work. Realizing the significant role of human resources behind those technology innovations, good relations with employees of various strategic distribution partners is also our main concern. Without the support of various parties, it would be impossible for Kao products to be distributed throughout Indonesian archipelago on time.

We express our biggest appreciation to all distribution networks who have delivered Kao's innovative products to its consumers. We will ensure the journey is always enjoyable and full of stories. Kao Indonesia has also expanded its distribution network to the international market by selling its products in countries such as Russia and Bangladesh and by collaborating with local distribution partners in order to give global societies experiences in using Kao products which aim at improving the quality of clean, healthy, and beautiful life of the consumers. Jealthy Skin aller Mar hu Skin Laurier 10 Active Day Healthy Skin

Innovation comes from sensibility, a care for each problem.

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Two eyes, two ears, and one mouth. The greatest creator asks us to learn a lot from the universe before taking action. 'The Kao Way' philosophy has taught us to always prioritize our consumers by visiting them directly and listening to their feedbacks. One of tangible practices is setting Research and Development as the driving force behind every high-quality of innovation product. That is why since 2019 activities of Research and Development are not only centered in Japan but also in Indonesia in order to focus on serving local needs.

Another thing we do to understand our consumer's needs is managing a Consumer Consultation Information System (ECHO). Complaints, enquiries, and feedbacks from the consumers are compiled in a database to ensure an optimal response and analysis benefitting our next quality product innovation. All Kao's products should benefit and win the hearts of our consumers.





Indonesia loves Kao's products. Since 1985, consumers has recognized us through a row of leading brands, such as Bioré, Laurier, Attack, Merries, Magiclean. In the last 10 years, various innovations have been conducted in order to further fulfill Indonesian consumer's needs. For example, Attack Batik Care helps taking care of Indonesian traditional kain batik, and Attack Jaz1 makes hand washing easier and suits the water condition in Indonesia. Indonesian consumers also loves Laurier Healthy Skin which overcomes problems of skin irritation around the feminine area, and Merries Good Skin is present as the solution to problems of skin irritation frequently happening to Indonesian babies. Hot weather and excessive sweating even pushes us to create the innovation of Bioré Guard Body Foam with a special formula to fight against grimes and itchiness.



Attack No.1 Brand Indonesia Brands of Choice in the Pandemic Era 2020

Sensitivity to various consumer's problems makes Kao products different. Merries is the one and only baby diapers which already clinically tested by Persatuan Dokter Kulit dan Kelamin Indonesia (PERDOSKI). A number of awards proves our consumer's appreciation for our heartfelt works. One can mention Bioré UV Agua Rich chosen as "The Best Sunscreen by Female Daily" (2018) and "The Best Sunscreen by Popbela" (2019), Bioré Cleansing Oil as "Female Daily Award Winning" (2018 & 2019), Bioré Body Wash as "Silver Champion Wow Brand by MarkPlus, Inc" (2018) and "Japan Champion in Indonesia at The 4th Asian Marketing Summit by MarkPlus, Inc" (2018), Attack as "Indonesia Content Marketing Award" (2018), Laurier "The Indonesia YouTube Ads Leaderboard" (2019), Men's Bioré as "Bronze Champion at Indonesia Wow Brand by MarkPlus, Inc" (2019) and Attack as "Indonesia Brands of Choice in the Pandemic Era Majalah SWA" (2020).

Let's stand together as one Kao. We might not be the first and the only one, but the spirit of care and innovation will be an advantage in winning our consumer's heart.


Our innovation is not only a creation but also a preservation.

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Ensuring the Continuity of Caring Attitude





Always creating innovation aligned with consumer's needs, social issues, and environmental preservation is a commitment based on a sense of caring.



We want all Kao innovations on this healthy and beautiful earth giving a meaning to a better life. 'Kirei Lifestyle Plan' (a sustainable life which is clean, healthy, and beautiful, inside and outside) is Kao Global's ESG (Environmental, Social, and Governance) strategy to support consumer's needs, behaviors, and interests in a sustainable lifestyle and contribute to a sustainable world. Kao Indonesia reaches the consumers since their early age by carrying those ESG values embodied in the spirit of 'Inovasi untuk Peduli' through various activities for all communities. We actualize our caring commitment for millions of Indonesian people of different ages through integrated education programs across Indonesia.



As the youngest consumer was born to the world, Kao presents its innovation of healthy and comfortable baby diapers as a form of our care in protecting the health of baby's skin.

With the program of 'Merries Senyumkan Lingkungan' in the year of 2019 and 2020, Kao initiates the use of hydrothermal technology to recycle diapers into planters for green environment. We want our youngest consumers growing on a green earth.

When they grow up to be school children (9-12 years old), we guide them to become Anak KAO (Kreatif, Aktif, dan Optimis) through a series of education program which also conducted by Bioré on living habits that care for healthy and clean environment. As they become adolescent, Kao embraces them as Remaja KAO along with Yayasan Cinta Anak Bangsa (YCAB). Our educational supports make them used to appear healthy, clean, and have a good self-esteem. One of these supports is a program of 'Manajemen Kebersihan Menstruasi', a collaboration between Laurier and UNICEF.

The spirit of 'Inovasi untuk Peduli' has gradually thrived. The spirit of caring the environment has manifested in thousands of art works at Environment Painting Contest Program with a theme "Let's Eco Together" which regularly held during the last ten years. This enthusiasm spreads and sets an achievement for Indonesian children at Kao International Environment Painting Contest 2019 in Tokyo, Japan.

Years have passed. We will continue to move forward with a full sense of caring to provide a better life with the future generation for more sustainable society and world.







Innovation is the key to excellence, bringing a victory.

## Strengthening Excellence, Excelling in Competition





Being a winner is not about being at a safe and comfortable zone. The true champions are those adaptive to respond to change and needs.

A journey of 35 years has written many stories. Starting from a joint with the producer of Dino detergent powder, Kao Global made its presence in Indonesia in 1985 with the name PT DINO INDONESIA INDUSTRIAL Ltd. As time passed and our business developed, in 1997 PT Kao Indonesia was formed. Up to now, Kao Indonesia has successfully become one of top five non-food manufacturers in Indonesia.

Our successes in surviving and making achievements are the result of team work. We never worry about or deny changes but persistently look for innovation and adapt. The spirit of Yoki-Monozukuri makes us actively find out our consumer's needs and then respond with solutions for quality products. This will continue in the upcoming years. Our spirit of sustainability further embodies in Kao's strategy of Environmental, Social, and Governance (ESG), namely 'Kirei Lifestyle Plan', which aims at creating a change in consumer's lifestyle that is healthy, clean, and beautiful. This strategy of 'Kirei Lifestyle Plan' is translated into three strong commitments which will be achieved in 2030 and which contributes in supporting United Nations (UN) Sustainable Development Goals:

- 1. "Making my everyday more beautiful"
- 2. "Making thoughtful choices for society"
- 3. "Making the world healthier and cleaner"

These commitments will be realized through various integrated innovations of products, brands, systems, and all company's strategic elements focusing on creating quality life for society and environment. A long journey remains ahead. We will make innovation as Kao Indonesia's driving force and differentiator for a better future.









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