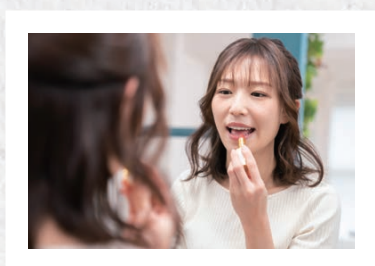


Kao Consumer Communication Center Annual Activity Report 2024

January 1, 2023
–December 31, 2023



Kao

Kirei—Making Life Beautiful

[For better life and society, by connecting to consumers]

Kao's direct relationship with consumers began in 1934 with the establishment of our Housework Science Laboratory, whose goal was consumer education. We have maintained this relationship with consumers ever since, evolving the "Laboratory" into today's Consumer Communication Center (CCC). Considering the evolution of people's mindsets and approach to life, we reviewed the center's objectives and established a new Statement of Purpose last year to guide our activities—"For better life and society, by connecting to consumers." Based on this mission, we will listen closely to consumers and bring their ideas into Kao's *Yoki-Monozukuri* to serve as a rich starting point for helping consumers to build lives that reflect their values. We will continue to value this connection as we carry out activities leading to a future filled with smiles.

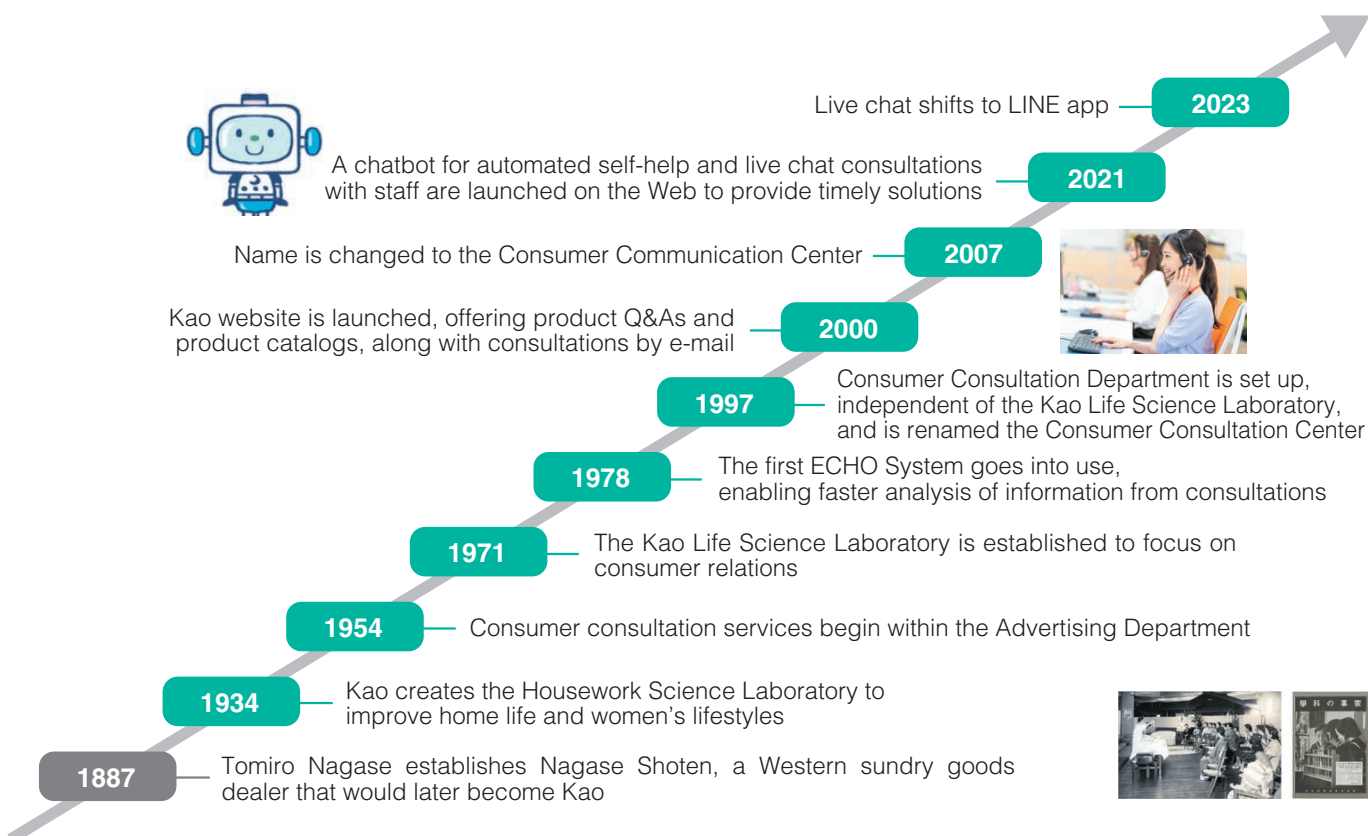
In 2023, we added more convenience to our services to meet changing consumer needs in a digital age by expanding our product Q&A offerings and offering consultations now via the LINE app. We also focused on incorporating consumer feedback into *Yoki-Monozukuri* that is our process of creation to enrich people's lives and efforts to become a better company. We hope you will take the time to read and enjoy this report.

April 2024

Consumer Communication Center

[Kao celebrates 90th anniversary of consumer consultations department]

Kao's consumer consultations department, established in 1934, celebrates its 90th anniversary in 2024.



Kao Group's Corporate Philosophy—The Kao Way

See here for more information www.kao.com/global/en/about/purpose/kaoway/

The “Kao Way” embodies our corporate philosophy, and is the foundation of the business activities of the Kao Group. As our cornerstone, the “Kao Way” provides consistency to Group activities from the formulation of mid- to long-term business plans to each business decision that we make every day.



Declaration of Consumer-orientation

We at Kao Group have undertaken consumer-oriented activities since our founding. Amid the major changes taking place in social conditions and the natural environment, we have clearly defined our policy of contributing to the realization of a sustainable society and have begun activities for this by integrating ESG into the core of our management and conducting ESG-driven *Yoki-Monozukuri*.

We released our ESG strategy, the Kirei Lifestyle Plan, to focus on consumers' desire for a more sustainable way of living, which we call the Kirei Lifestyle. Designed to help people lead more fulfilling lives, the Kirei Lifestyle Plan is supported by the three commitments of “Making my everyday more beautiful,” “Making thoughtful choices for society” and “Making the world healthier & cleaner,” which are underpinned by our core value of “Walking the right path.”

Our consumer-oriented management activities will continue to follow the Kirei Lifestyle Plan as we move ahead.

In September 2023, we revised the Kao Declaration of Consumer-orientation to reflect our ESG strategy.

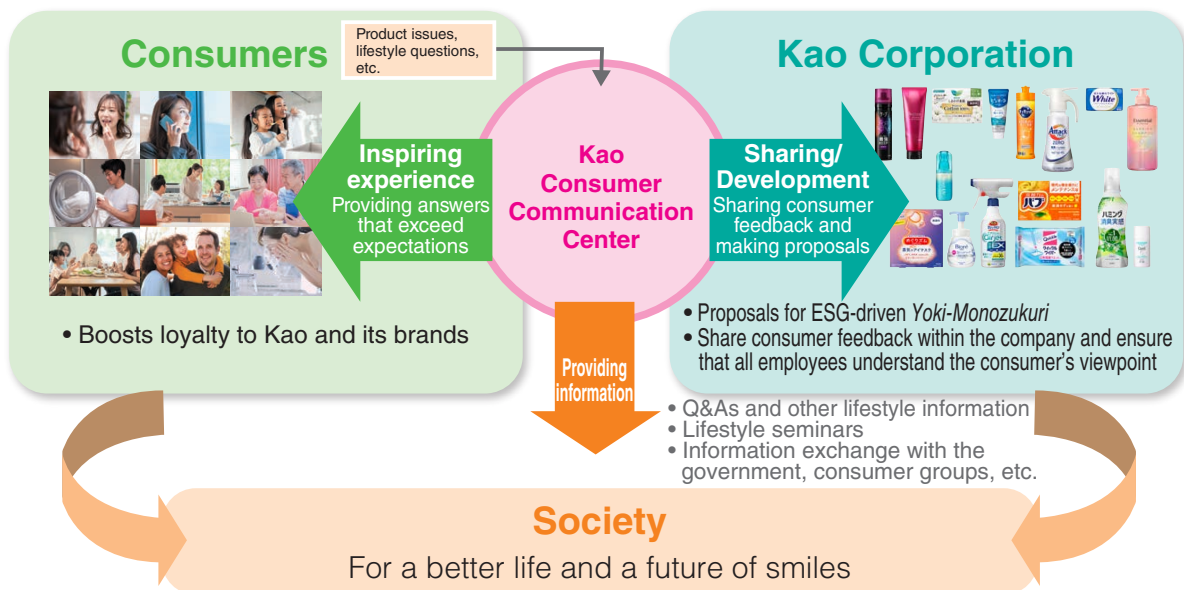
Our ESG strategy – Kirei Lifestyle Plan
www.kao.com/global/en/sustainability/klp/

Declaration of Consumer-orientation (in Japanese)
www.kao.com/jp/sustainability/klp/policy/customer-first/

1 Roles and Activities of the Consumer Communication

Enabling a future of smiles by listening closely to consumers in inspiring consultations, utilizing their feedback in our ESG-driven *Yoki-Monozukuri* and providing lifestyle information

Direct contact and dialogue with consumers, helping Kao to contribute to society



All staff at the CCC provide direct consultation services aimed at finding out the reason for the consumer's consultation, their situation and how they feel about it so that staff can clearly understand the consumer's viewpoint.

Inspiring, responsive consultations

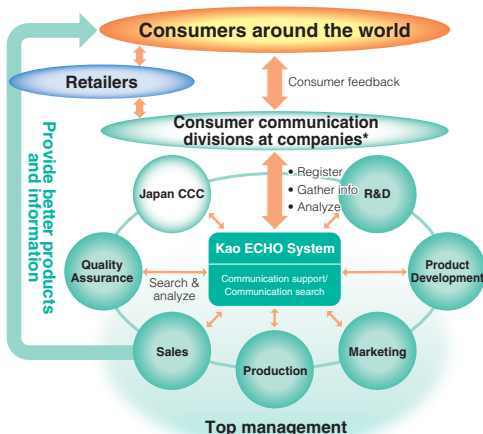
We strive to listen closely to and understand the feelings of consumers in consultations, thereby creating a positive emotional experience that exceeds their expectations.

Sharing within the company/Development

We take this valuable feedback from consumers and share it with all of our employees. Furthermore, we make proposals based on the feedback, leading to ESG-driven *Yoki-Monozukuri*.

Providing lifestyle information

We strive to provide useful consumer-oriented information by publishing product Q&As on our website that address frequently asked questions and by holding lifestyle seminars.



* Consumer communication division in Japan is Japan CCC

Kao ECHO System and the mechanism for utilizing customer feedback in ESG-driven *Yoki-Monozukuri*

Various opinions gathered from consumers are collected in the Kao ECHO System.

The system enables company-wide checking and searching of consumer feedback to support the Kao Group's ESG-driven *Yoki-Monozukuri*.

Offering diverse channels of communication

The main channels for Kao CCC consultations are telephone, e-mail, retailers and LINE. Consumers are also able to solve their own problems 24 hours a day, 365 days a year, using our Product Q&A pages and AI chatbot.

● Telephone

About 80% of consultations are received through this channel. Through these conversations, we listen closely to and respond to consumers. We also respond to consultations in English, Chinese and Korean through the use of interpreters in those three languages.



● E-mail

Consumers may contact us through this channel regardless of the time of day, which accounts for about 10% of all consultations. We receive a range of e-mails from consumers, from casual questions to impassioned feedback.



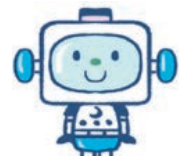
● Consultation via LINE

In October 2023, we switched from web chat to the LINE app, with 40% of inquiries coming from people in their 30s or younger. This indicates that the service is utilized by younger people who seek a quick response.



● Chatbot

An AI chatbot for inquiries about household products has been added to the Product Q&A and inquiry pages of our official website.



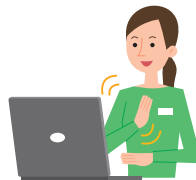
● Letters

People can share their opinions, favorable comments and more by written letter.



● Sign language

We have set up a consultation support desk for the convenience of consumers with hearing impairments.



● We also respond to inquiries received at retailers

We promptly respond to consultations from retailers nationwide, about 10% of the total, in close collaboration with sales locations.



● Official Kao support on Yahoo! Chiebukuro

We began answering problems submitted by consumers in 2015, and in 2023 we provided about 200 new responses. Since the original questions remain available on the site, many people in addition to the original poster view the answers. Views to all past answers (of which there are about 9,100) reached approximately 4.2 million for the year in 2023. Bangs not holding their shape after wearing a mask continued to be a frequent problem in 2023, while responses about hair coloring also received large numbers of views, perhaps an effect of pandemic restrictions being lifted.

Top 3 Q&A viewed in 2023

- 1st** When I wake up in the morning my bangs are flat and split. Is there a problem with how I'm drying them?
- 2nd** How many months will it take for my hair to grow from a short bob to medium length?
- 3rd** How can I wash my Mochi Mochi Mascot?



About 178,000 consultations in 2023
(3% YoY increase)

Slight increase in consultations following recovery of human activity and interactions

The number of consultations in 2023 increased slightly over the previous year, with the 3% rise ending the downtrend that peaked in 2013. The number has been hovering around 180,000 over the past several years.

Types of consultation

In May 2023, the Japanese government downgraded COVID-19 to a Category V Infectious Disease. As a result, people started taking off their masks more often and going out more, which meant an increase in consultations on products such as sunscreen, antiperspirants and lip care products, including men's lines.

There was also a rise in inquiries about the expiration date of sanitizers purchased during the pandemic and kept in storage.

Other consumers lamented the disappearance of familiar products that had been taken off the market, such as laundry starch that had been discontinued in 2022 and a long-selling men's cosmetics brand.

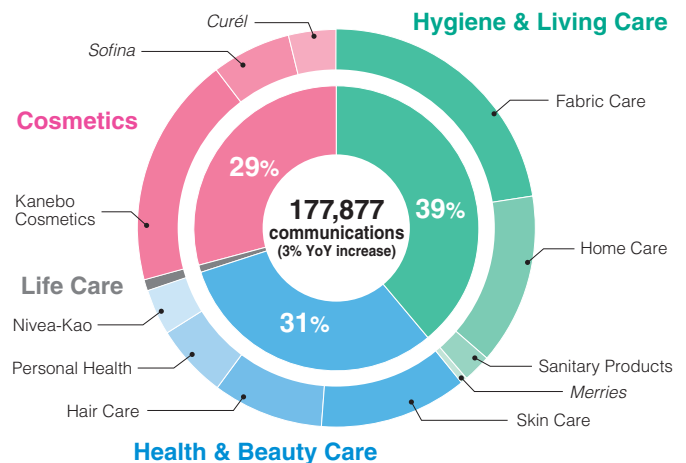
Age of consumers making inquiries

By age group, as in the previous year, consumers in their 60s or older accounted for half of all consultations.

Method of consultation

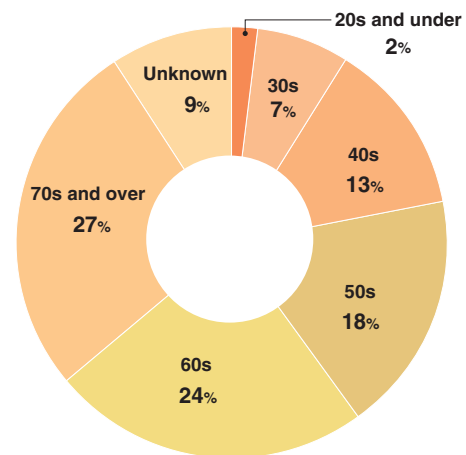
The number and ratio of consultations by telephone have remained mostly unchanged over the last several years. Since October 2023, when we switched the live chat from the website to the LINE app, the number of consultations by chat has been increasing, since it has become easier to contact us. Particularly in sanitary products and other personal areas, there is a trend toward consultations being conducted by e-mail and chat at a higher ratio than for other products.

Ratio of consultations by business type



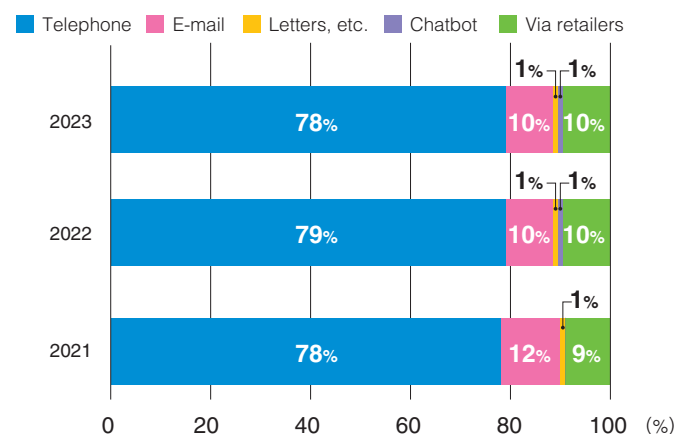
Ratio of those making consultations by age group

★ Age groups include estimated ages and only count general consumers



Change in the ratios of consultations methods

◇ Chatbot service from October 2021



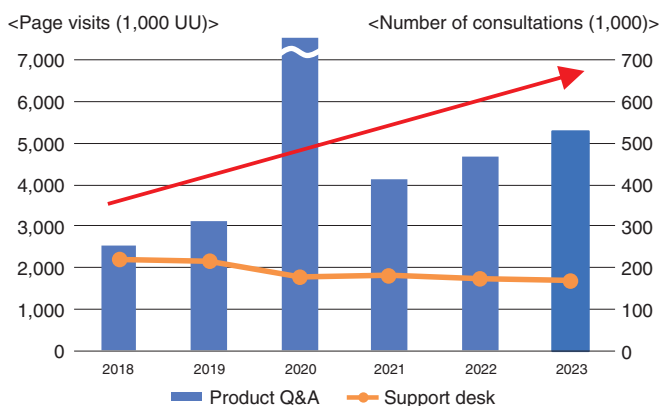
5.24 million UU accesses to Product Q&A website
(14% YoY increase)

Efforts to broaden approaches to consumers who do not contact the company

● Product Q&As

New Q&As have been added, and currently the site has more than 2,000 Q&As.

The number of accesses reached 5.24 million UU*/-year, up 14% from the previous year. We post likely questions in Q&As that are released together with any new or improved product so that consumers who do not wish to contact the support desk are able to solve problems on their own. We have also released Q&As on corporate activities such as environmental initiatives as new content.



★ High number of Q&A page views in 2020 were related to COVID-19 infection controls

* Acronym for "Unique Users."

Indicates the number of users who visited a site within a specific time period.

● AI chatbot for instantaneous, accurate responses

Our AI chatbot can respond well to questions regarding issues or problems with products and provide timely, accurate information on emergency treatment.

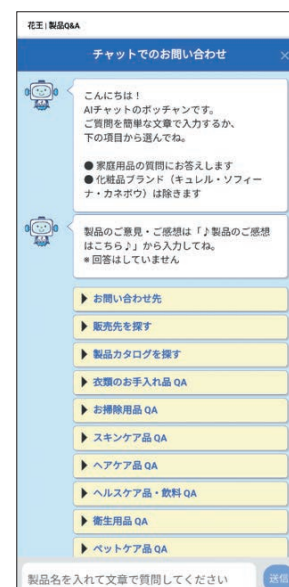
Additionally, questions that cannot be answered in full detail on the Product Q&A pages are preloaded into the AI to help people find answers on their own.

By offering the AI chatbot on every Product Q&A page in 2023, the number of users increased, expanding its use.

● Forms created for submitting feedback and ideas

Younger people are not contacting the company much because of the trouble involved in communicating by telephone or e-mail.

For them, we have created forms that can be filled out without revealing one's identity using LINE or an AI chatbot. This allows young people and others to easily share their feedback or ideas. Consumers who love our products, primarily women ranging from their teens to 40s, have given us their feedback this way, writing things like, "I wanted to say this directly to Kao" or "I really want Kao to do something about this," or "I would like to see this kind of design or feature."



Working to realize a sustainable society

We are working to solve problems that society faces together with consumers who use Kao products.

- We offer ideas to consumers for more enjoyable, comfortable, sustainable living.
- We offer products and services that are conscious choices for a better environment.



Learn

No measuring needed, simply toss in a stick!

Attack ZERO Perfect Stick

In August 2023, we released a stick-type laundry detergent that works by simply tossing it into the washing machine. Consumers have provided positive feedback on the product, saying that it is lightweight and easy to use, compared to lifting and pouring a heavy liquid detergent bottle. They also appreciate that one doesn't have to measure out the right amount and there is no need to refill a bottle. We have also set up a special website page (in Japanese) that shows how to use the product safely and raises awareness about preventing accidental ingestion.

Instructions and cautions for the safe use of the product



See here for more information (in Japanese) ⇒ www.kao.co.jp/attack/products/perfectstick/notice/





Select

Preventing mistakes in purchasing bathroom and toilet cleaners

Package improvements for identifying *Magiclean* products

We redesigned the packages for *Magiclean* bathroom and toilet cleaners in response to many people saying that they had mistakenly purchased the wrong product for either a bathroom or toilet. In 2023, we displayed the product category in larger text, and for the refill package added a realistic image of a bathroom and toilet on the respective products. This change has greatly reduced mistaken purchases.

For bathroom



Before
improvement



After
improvement

For toilet



Before
improvement



After
improvement



Select

Inconspicuous change makes product easier to use

Laurier Sarapure Incontinence Pads —Amount of absorption displayed on inner package

We received requests to display the amount of liquid that an individual absorbent pad could absorb on the individual pad package so that people could decide when and how long to use the pad. In consideration of individuals who were uncomfortable with using the product, in April 2023 we changed the inner package, making it easier to understand at a glance by displaying a number only for the amount of liquid that the pad could absorb.



Only the amount of absorption is shown



Individual pad package: absorption amount shown



Use

It feels good to use up completely

Further improved, easy-to-use *Raku-raku Switch*

Kao released the *Raku-raku Switch* in 2016 for attachment to *Raku-raku Eco Pack Refill*, used for various products. The switches come in four types.

In addition to having different-colored caps, the switch for shampoo has raised notches, while the switch for body wash has a raised bar so that the user can identify the contents quickly by touch.

We have received positive feedback on these switches, including comments such as, “My child can now wash by himself because even with a child’s strength it is possible to adjust the amount to use,” and “I injured one hand and can’t use it, so this product has really helped.”



Raku-raku Switch (dispensing nozzle)

Easy flow adjustment with light pressure



Shampoo



Conditioner



Body wash



Use

Creating a new habit to use sunscreen

Bioré UV Aqua Rich Aqua Protect Mist

An easy-to-carry, gas-free, mist-spray sunscreen was launched in February 2023.

We have received positive feedback, with one user appreciating the ability to reapply it on the go and keep using for complete UV protection. Another user was very happy to have a UV sunscreen she could use on her hair!



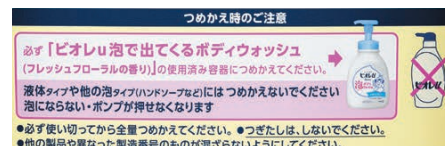
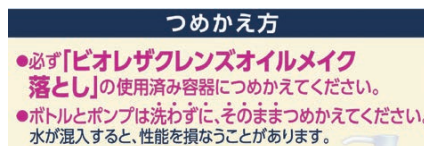


Refill

Should I wash the container before refilling it or not?

Revised labeling of our refill products

Our customers have shared various concerns with us. Some are unsure whether or not a container can be refilled, and others don't want to throw away a container that is still in good condition. So we have begun rewriting the package labeling on our refill products to offer rules for safe, hygienic use, such as "Rinse before refilling," "Refill without rinsing out," "Can be refilled directly by the identical product" or "Don't add a refill if any content remains."



Put out in the trash

Reducing plastic waste

KANEBO Bright Future Box

Taking on the challenge of manufacturing for a sustainable future, we developed this mono-material case for eye shadow, made entirely of paper. We received favorable comments from customers that indicated they were happy that the paper package was so light and ecological, and that the package and inside sheet design were fun to use every time.



“Wastefulness–Mottainai. Never today, nor tomorrow.”

Using this message, Kao wishes to communicate about our innovation and corporate stance rooted in ESG-driven manufacturing to promote a circular society.

Special website: “Wastefulness–Mottainai. Never today, nor tomorrow.” (in Japanese) ⇒ <https://www.kao.com/jp/mottainai/>

New refill containers are both eco-friendly and easy to use

CuCute refill containers reduce plastic use by about 40%* while also reducing CO₂ emissions. We have developed a new container that we call a *CuCute Eco-Peco-Bottle* that uses environmentally friendly materials and has a reduced thickness while maintaining ease of refilling and durability. It has been well received by customers for its ease of use, with some commenting that it is soft and crushes easily, making it easy to dispose of.

* Ratio by weight compared to container used previously



Refills
700 ml

Refills
1,250 ml



Reducing complications for customers, shipping, waste from packaging

Due to changes in our living environment, more people insist on spending their time wisely, and the number of customers who refuse our customer service, which might include asking them to return a product, has doubled since 2019. For that reason, we have adopted new rules that include sending replacement parts instead of requesting the return of some products that customers have identified.

Working to inspire and enable people to develop better habits for cleanliness, beauty and health

Opening

Roles
and Activities

Wide Variety of
Communication

ESG-driven
Yoki-Monozukuri

Wastefulness
—Mottainai

Kao's Enduring
Intention

Caution

Helping people to enjoy more beautiful lives...
Although COVID-19 has been downgraded to Category V—the least severe category of infectious diseases—get into the habit of properly washing and sanitizing your hands to prevent infections.

Learn the steps and keys to effective hand washing and hand sanitizing to ensure that bacteria and viruses are washed clean.

Hand washing

Take about 30 seconds to wash your hands thoroughly

- Wash your hands frequently, not only when arriving home, after using the restroom and before eating.
- Use soap or liquid hand soap.
- Wash between your fingertips and nails, between your fingers and up to your wrists.
- Rinse well under running water, wipe with a clean towel and dry thoroughly.

How to wash your hands thoroughly

Wash your hands in 6 steps for at least 30 seconds.

Palms



Rub your hands together

Back of the hands



Rub the back of your hand while stretching it

Between the fingers



Interlock your fingers and rub

Fingertips and nails



Scratch the palm of your hand

Base of the thumb



Grip your thumb and twist your palm

Wrist



Twist through your grip

The red areas are often left unwashed



Back of the hands



Palms

Hand sanitizing

Use hand sanitizer when you are out of the house and there is no water to wash with.

- Use enough hand sanitizer for both hands.
- Be sure to rub the sanitizer all over your hands and fingers.



The key is to first rub the sanitizer into the fingertips of both hands! Then, as with hand washing, rub all over your hands and fingers.

See here for more information (in Japanese) ⇒
<https://my.kao-kirei.com/kurashi-labo/health-beauty/healthcare/041/>



Caution

To Prevent Accidents



To prevent accidental ingestion during bleaching

People have become more hygiene-conscious in their homes in recent years, leading to more frequent bleaching and washing of dishes and utensils. As a result, Kao has received inquiries about accidental ingestion by using items that have not been rinsed of bleach.

● Accidental ingestion is caused by not being able to tell if bleach is in use

Spray-type bleach is convenient because it can be sprayed directly onto dishes and utensils, which don't need to be left to soak in a basin. But over time, the sprayed foam disappears and a family member may use a glass without knowing it is being bleached, or even the person doing the bleaching may forget and use a utensil or cup without rinsing it.

● Be careful where you place items that are being bleached

To prevent such accidental ingestion, it is important to be careful where you place dishes and utensils that are being bleached in the kitchen. One idea is to leave a sign that says, "Bleaching." In any case, don't leave items unattended for an extended period of time.



- ★ Keep items being bleached in the sink as much as possible
- ★ Create a "Bleaching" sign and place it where other people can see it



- ★ Do not place items on the kitchen counter or in the same area as food or beverages

In case of accidental ingestion, please refer to the following websites for first aid measures

Q&A regarding accidental ingestion of products

See here for more information (in Japanese) ⇒
www.kao.com/jp/qa/accidental-ingestion/



Japan Soap and Detergent Association First aid for accidental ingestion or mistaken use (in Japanese)

www.jsda.org/w/3goingoyou/list.html



Collaborating with the Japan Soft Drink Association to raise awareness of accidental bursting of aluminum cans

On May 8, 2023, a coffee can containing detergent exploded in a train station in Tokyo, causing injury. The explosion is believed to have been caused by a chemical reaction between an alkaline cleaning agent sitting in an aluminum can and the hydrogen gas that had accumulated inside the can.

In response to this accident, Kao made a proposal to the May 19 meeting of the Japan Soft Drink Association Customer Communication Study Group. The proposal to create a new Q&A to educate consumers was supported by all members.

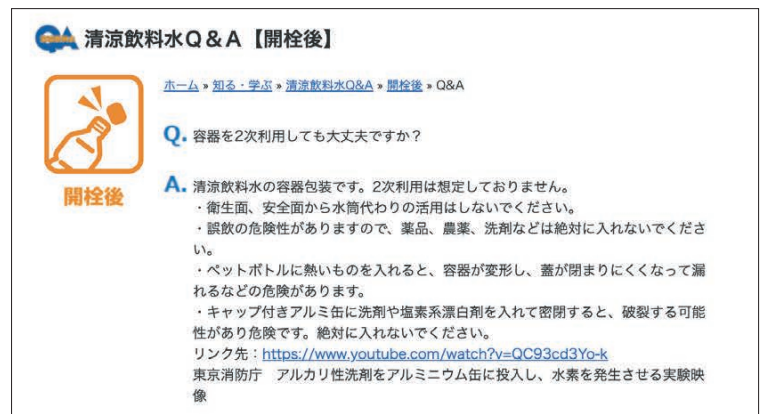
In June, a Q&A was posted on the Kao Product Q&A website, stating that a metal container or empty can must not be filled with an alkaline cleaning agent or chlorine bleach. A similar Q&A was posted on the Know and Learn section of the Japan Soft Drink Association in August. These efforts aim to raise awareness in both the detergent and beverage industries.



Coffee can rupture
Investigators checking the area near a ticket vending machine
Source: Jiji Press



Japan Soft Drink Association website



Japan Soft Drink Association's Soft Drink Q&A






Q. 【使用可否】金属容器や空き缶に、アルカリ性の洗浄剤や塩素系漂白剤などをつめかえて使用してもいいの？

A. 本体と異なる製品に、つめかえてのご使用はお控えください。
容器は内容液や使用方法に合わせて作っています。空き缶などの金属容器にアルカリ性の洗浄剤や塩素系漂白剤を入れると、腐食して漏れたり、ガスが発生したりすることがあり、危険です。

Kao Product Q&A website

Contact Us (Kao Consumer Communication Center)

Contact information for inquiries regarding Kao's household products, cosmetics, and corporate information can be found on the official website below.
www.kao.com/jp/support/ (in Japanese)



| | |
|---|---|
| Telephone  | 0120-165-690 (in Japan) ● Support desk hours: 9:00–17:00 (Except for Saturdays, Sundays and public holidays) * The telephone number for product inquiries is different for different products. The correct number is indicated on the product or appears on the official website. |
| LINE | We answer questions on LINE about household products (except for <i>Curél</i> , <i>Sofina</i> and <i>KANEBO</i> products). Scan the 2D barcode with your smartphone or tablet and add us as a friend.  |
| E-mail  | Please use this online form to make inquiries by e-mail. https://sampleform2.kao.com/n/form/qngb/pkzBKfu69Au7JH665JDLQ |
| English, 中文, 한국어 Call Center  | 03-6837-5778 9:00–17:00 (Except for Saturdays, Sundays, public holidays and other holidays specified by Kao Corporation) |
| Letter  | 2-1-3 Bunka, Sumida-ku, Tokyo 131-8501 Kao Corporation Consumer Communication Center |

* Support desk hours may be changed according to the situation.

For customers with hearing impairments

Please use the telephone relay service for communication via sign language or text-based chat.
 Telephone relay service provider designated by the Minister for Internal Affairs and Communications
 The Nippon Foundation Telecommunication Relay Service
 Tel: 03-6275-0912 Fax: 03-6275-0913 Sign language and text-based chat (in Japanese): <https://nftrs.or.jp/contact/>

Official Websites

| | |
|---|---|
| Kao Corporation | www.kao.com/global/en/ |
| Household Product and Cosmetics Q&A  | A collection of questions frequently received from customers and their answers is available in a Q&A format. You can search for answers by brand, category, purpose and first aid, including accidental ingestion. www.kao.com/jp/qa/ (in Japanese)  |

Personal information protection The Kao Consumer Communication Center handles various kinds of personal information. We recognize that personal information is a valuable asset and adhere to the Privacy Policy of Kao Group Companies in Japan.

Details of the Privacy Policy of Kao Group Companies in Japan www.kao.com/jp/corporate/privacy/privacy-en/

Kao Corporation

Kao Consumer Communication Center Annual Activity Report 2024
 Published: April 2024
 Published by: Yuki Nomura, Consumer Communication Center, Kao Corporation