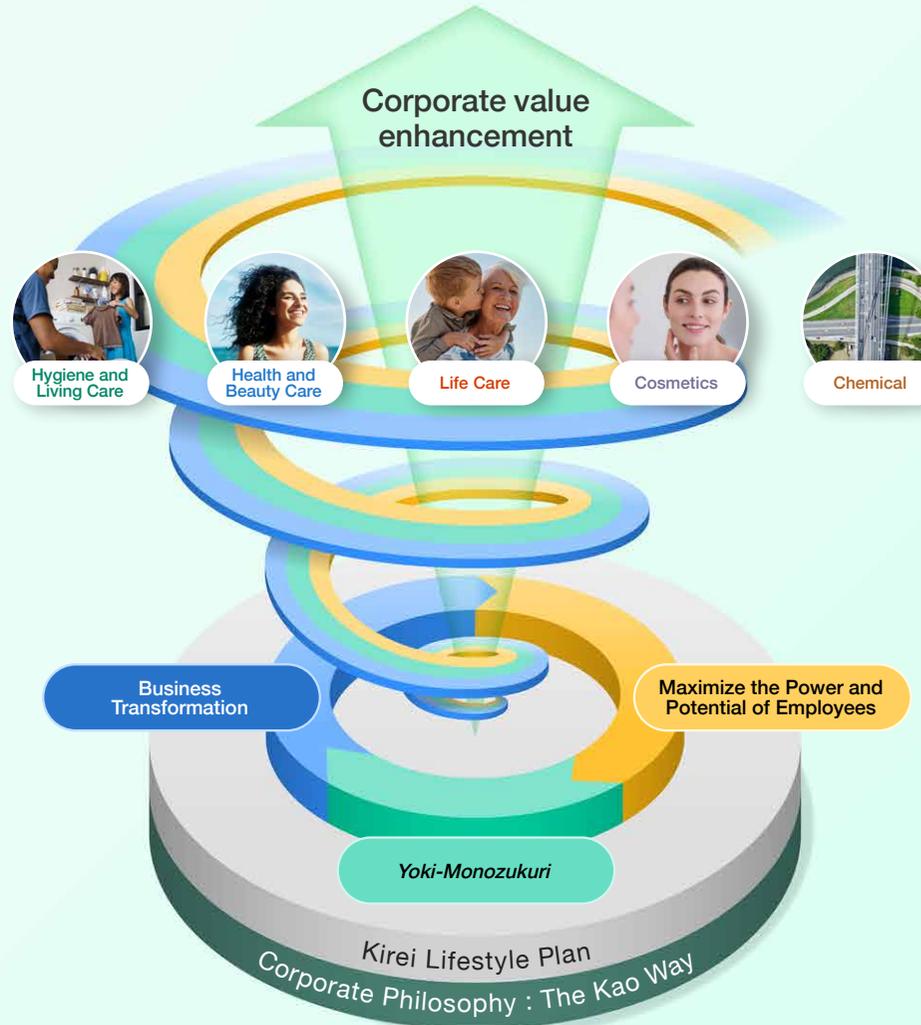


Value Creation Model

◀ Purpose ▶ To Realize a *Kirei* World in Which All Life Lives in Harmony

Social Issues of Focus	Sources of Our Value Creation
Environmental Issues	Human Capital <ul style="list-style-type: none"> Number of employees 34,257 Management tool for activating personal growth : OKRs Open recruitment program for revolutionizing ideas : 0★1 Kao
	Relationship Capital <ul style="list-style-type: none"> Sales area over 100 Subsidiaries 113 Customers, partners for business and social contribution, academia
Aging Population	Financial Capital <ul style="list-style-type: none"> Net sales 1,532.6 billion yen Core operating income* 114.7 billion yen EVA (Economic Value Added) 14.9 billion yen
Pandemics	Intellectual Capital <ul style="list-style-type: none"> Number of brands 81 Number of patents held 15,000 Number of trademarks held 22,000 R&D expenses 62.6 billion yen
	Manufacturing Capital <ul style="list-style-type: none"> Production sites 36 locations Capital investment 93 billion yen
Diversification of Society	Natural Capital <ul style="list-style-type: none"> Energy consumption 16.7PJ Water use 16.2 million m³ Plastic packaging usage 85.0 thousand tons CO₂ emissions across the product lifecycle 10,094 thousand tons

Become an Essential Company in a Sustainable World



Commitment to the Future	Our Vision
<ol style="list-style-type: none"> 1 Regenerative Lifestyles Plan for and enable regeneration. 2 Toward Carbon Negative Move beyond CO₂ reduction and unlock CO₂ recycling. 3 Zero Waste Waste nothing. Period. 4 Precision Life Care Every person is unique. Our solutions will be too. 5 Leave No One Behind Innovation can be for everyone. We won't stop. 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Sustainability as the only path Protecting future lives</p>

* FY2023 figures are calculated based on core income. The Kao group presents income excluding one-time gains and losses due to non-recurring factors as "core income."