Kirei—Making Life Beautiful

Consolidated Financial Results for the Six Months Ended June 30, 2026

Kao Corporation

August 5, 2026

Disclaimer

Forward-looking statements such as earnings forecasts and other projections contained in this release are based on information available at this time and assumptions that management believes to be reasonable, and do not constitute guarantees of future performance. Actual results may differ materially from those expectations due to various factors.

Notes:

1. Numbers in parentheses are negative.
2. YoY: Abbreviation for year on year
3. ¥bn: Abbreviation for Japanese yen in billions
4. Year on year growth rates for net sales are all like-for-like, excluding the effect of translation of local currencies into Japanese yen. Growth by volume includes changes due to differences in product mix.
5. Changes and comparisons are all with the same period a year earlier unless otherwise noted.
6. Household & personal care (H&PC): Global consumer care products excluding cosmetics
7. GC: Abbreviation for Global Consumer Care
8. Core income: Income excluding impacts of structural reforms for FY2023.

Changes in Accounting Policy:

Due to early adoption of IFRS 18 “Presentation and Disclosure in Financial Statements” (hereafter, “IFRS 18”) in Q1 FY2026, operating income, income before income taxes, and EBITDA for FY2025 and in the initial FY2026 forecast presented in these presentation materials are retrospectively adjusted figures reflecting the change in accounting policy.

Change in EBITDA Calculation Method:

In H1 FY2026, the EBITDA calculation method was revised to include impairment losses. Accordingly, EBITDA for FY2025 presented in these presentation materials has been retrospectively restated to reflect this change.

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Key Highlights

- ✓ **Reforms to earning power have taken root for a shift to a profitable growth stage.**
  (Gross margin for the GC Business surpassed the FY2019 level.)

- ✓ **H1 operating income reached a record-high of 95.8 billion yen.**
  (Even excluding gain on the sale of land, operating income was 84.3 billion yen, the highest level since FY2019.)

- ✓ **The full-year operating income forecast for FY2026 has been revised upward to 190.0 billion yen.**

- ✓ **Future Growth Drivers: Semiconductor and Cosmetics Businesses**

02

Financial Results

for the Six Months Ended June 30, 2026

Highlights of Consolidated Financial Results

Kao

Billion yen	FY2025 H1*1	FY2026 H1		Growth	Change
Net sales	809.0	**871.9**		+7.8%	+62.9
			Effect of currency translation*4	+4.4%	+35.5
			Like-for-like growth	+3.4%	+27.4
Gross profit	311.8	**347.2**		+11.3%	+35.4
Gross margin(%)	38.5%	**39.8%**		-	+1.3pts
Operating income	69.2	**95.8**		+38.5%	+26.6
Operating margin(%)	8.6%	**11.0%**		-	+2.4pts
Income before income taxes	71.8	**97.3**		+35.6%	+25.6
Net income	49.5	**66.2**		+33.9%	+16.8
Net income attributable to owners of the parent	49.6	**65.7**		+32.3%	+16.0
EBITDA*2 **(Operating income + Depr. & Amort.+ Impairment losses)**	112.0	**140.6**		+25.6%	+28.7
Basic earnings per share (yen)*3	53.42	**72.58**		+35.9%	+19.16
Cash dividends per share (yen)	77.00	**78.00**		-	+1.00

1. Due to early adoption of IFRS 18, operating Income, income before income taxes, and EBITDA for H1 FY2025 are presented on a retrospectively adjusted basis. (For details, please refer to page 53.)
2. Due to change in the calculation method, the H1 FY2025 figure is presented on a retrospectively adjusted basis.
   Changes 1 and 2 also apply to the subsequent pages.
3. Amounts are presented after reflecting the impact of a share split at a ratio of two shares for each ordinary share conducted on the effective date on July 1, 2026.
4. Exchange rates: 158.11 yen/USD, 184.46 yen/Euro, 23.03 yen/Yuan

Highlights of Q2 Consolidated Financial Results (April-June)

Billion yen	FY2025 Q2	FY2026 Q2	Growth	Change
Net sales	419.2	**458.7**	+9.4%	+39.5
Effect of currency translation[*2]			+5.3%	+22.0
Like-for-like growth			+4.2%	+17.5
Gross profit	163.8	**188.5**	+15.1%	+24.7
Gross margin(%)	39.1%	**41.1%**	-	+2.0pts
Operating income	38.3	**50.9**	+33.0%	+12.6
Operating margin(%)	9.1%	**11.1%**	-	+2.0pts
Income before income taxes	40.2	**51.3**	+27.7%	+11.1
Net income	26.5	**34.9**	+32.0%	+8.5
Net income attributable to owners of the parent	26.8	**34.7**	+29.4%	+7.9
EBITDA (Operating income + Depr. & Amort.+ Impairment losses)	59.5	**73.4**	+23.3%	+13.9
Basic earnings per share (yen)[*1]	28.83	**38.31**	+32.9%	+9.48

1. Amounts are presented after reflecting the impact of a share split at a ratio of two shares for each ordinary share conducted on the effective date of July 1, 2026.
2. Exchange rates: 159.40 yen/USD, 185.34 yen/Euro, 23.42 yen/Yuan

Key Points of Results and Future Initiatives

Kao

Strategic role of FY2026

Further strengthening our sustainable earning power and accelerating the shift to growth.
Ensuring the success of Mid-term Plan 2027 (“K27”) and building a foundation for step-change growth thereafter.

FY2026 H1 Results

Net sales	Operating income	ROIC
Net sales 871.9 ¥bn **+3.4**% on a like-for-like basis	**Operating income 95.8** ¥bn (**+26.6** ¥bn; **+38.5**%); **margin 11.0**% **84.3** ¥bn excluding gain on sale of land: **+15.1** ¥bn	**ROIC 10.5**% **+2.5** pts YoY

- ✓ In the GC Business outside Japan, growth was driven by increased sales in Asia of Cosmetics (+14%) and Health Beauty Care (+6%).
- ✓ The Chemical Business offset the decline in Q1 and achieved profit growth by capturing demand and implementing selling price adjustments.
- ✓ ROIC improved to 10.5% as capital efficiency reforms progressed steadily.
- ✓ The Kao Group achieved both sales volume growth and improved profitability, driving sustainable profit growth.

Initiatives and Outlook for Q3 and Beyond

- ✓ The Kao Group will seek to expand profits by accelerating growth in focus businesses while implementing transformations to drive growth in businesses facing challenges outside Japan.
- ✓ The Kao Group will address the higher raw material prices that are expected to materialize from Q3 onward through price pass-through in addition to promotion of high-value-added products and Total Cost Reduction (TCR) initiatives.

  → Based on the above, the full-year forecast of results has been revised upward.

Consolidated Net Sales by Segment/Geographic Region in H1

- The GC Business sales increased 4.1%, driven by strong performance in Japan. Sales outside Japan also increased 1.9%. The focus businesses, Cosmetics and Health Beauty Care, performed well in Asia. Transformations aimed at growth were underway in some businesses facing challenges.
- The Chemical Business returned to sales growth, driven by progress in selling price adjustments for the oleo chemicals and strong sales of electronic materials in Japan and Asia.

	Japan		Asia		Americas		Europe		Outside Japan		Consolidated	
	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like
Fabric & Home Care	167.4	6.8%	20.1	(7.1)%	1.5	(12.1)%	-	-	21.6	(7.4)%	189.0	5.1%
Sanitary	34.2	(5.1)%	47.5	1.9%	-	-	-	-	47.5	1.9%	81.7	(1.3)%
Hygiene Living Care Business	201.6	4.6%	67.6	(0.9)%	1.5	(12.1)%	-	-	69.1	(1.2)%	270.7	3.1%
Health Beauty Care Business	113.2	5.4%	20.3	5.9%	62.3	4.2%	32.9	(4.9)%	115.5	1.8%	228.6	3.6%
Cosmetics Business	86.8	6.7%	27.2	14.2%	3.5	(3.6)%	13.4	(2.9)%	44.1	6.9%	131.0	6.7%
Business Connected Business	18.8	5.1%	0.4	186.6%	-	-	-	-	0.4	186.6%	19.2	6.2%
GC Business	420.4	5.2%	115.4	3.6%	67.4	3.4%	46.3	(4.4)%	229.1	1.9%	649.5	4.1%
Chemical Business*	76.8	6.8%	67.3	2.9%	47.3	(2.1)%	55.8	(3.1)%	170.4	(0.5)%	247.2	1.8%
Consolidated	476.1	5.4%	180.7	3.2%	114.5	1.2%	100.6	(3.6)%	395.8	0.8%	871.9	3.4%

* Net sales of the Chemical Business include intersegment transactions

- Sales by geographic region are classified based on the location of the sales recognized.

Consolidated Results by Segment in H1

- GC Business: Operating income increased across all segments, driven by stronger earning power and progress in promoting high-value-added products. Operating margin +1.1 pts.
- Chemical Business: Recovered from its Q1 profit decline and achieved profit growth by capturing demand, adjusting selling prices, and implementing other initiatives.

	Net sales				Operating income			Overview
	H1 (Billion yen)	Like-for-like	By Volume	By Price	H1 (Billion yen)	Change	Operating margin	
Fabric & Home Care	189.0	5.1%	1.6%	3.5%	34.7	3.5	18.4%	Maintained a high operating margin by advancing the shift toward higher-value-added products and effectively capturing increased demand resulting from the situation in the Middle East.
Sanitary	81.7	(1.3)%	(0.6)%	(0.7)%	4.4	0.1	5.4%	Promoted profitability-focused management. Operating income increased due to strong performance by *Laurier* in Asia.
Hygiene Living Care Business	270.7	3.1%	0.9%	2.2%	39.2	3.6	14.5%	—
Health Beauty Care Business	228.6	3.6%	3.0%	0.6%	19.9	1.7	8.7%	Profits were driven by skin care in the Americas and Asia, offsetting weak performance in Europe.
Cosmetics Business	131.0	6.7%	5.9%	0.8%	5.8	5.4	4.4%	Growth outside Japan and structural reforms drove profitable growth, with particularly substantial results for *Curél*, *KATE*, and *SENSAI*.
Business Connected Business	19.2	6.2%	4.2%	2.0%	0.8	0.4	4.4%	In addition to kitchen cleaning agents for the food service sector and products for the nursing care sector, guest room amenities for the lodging and leisure sector also performed well.
GC Business	649.5	4.1%	2.7%	1.4%	65.7	11.1	10.1%	—
Chemical Business	247.2	1.8%	(1.8)%	3.6%	18.1	3.7	7.3%	Sales of both electronic materials (information materials) and performance chemicals grew. Selling price adjustments and increased sales volume for consumer care chemicals also contributed, along with the impact of unrealized gains.
Consolidated	871.9	3.4%	1.3%	2.1%	95.8*	26.6	11.0%	• Includes an 11.5 ¥bn gain on sale of land (Not allocated to any business segment)

Net sales of the Chemical Business include intersegment transactions

- Growth by volume includes changes due to differences in product mix.
- Sales by geographic region are classified based on the location of the sales recognized.

Q2 Consolidated Net Sales by Segment/Geographic Region (April-June)

- GC Business sales increased 4.3%, driven by strong performance in Japan. Sales increased in all businesses in Asia.
- Chemical Business sales increased in all regions. In the Americas and Europe, sales returned to growth as progress in selling price adjustments caught up following the delay in Q1.

	Japan		Asia		Americas		Europe		Outside Japan		Consolidated	
	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like	Billion yen	Like-for-like
Fabric & Home Care	89.4	6.3%	10.5	3.2%	0.8	(6.1)%	-	-	11.3	2.5%	100.7	5.9%
Sanitary	17.6	(8.2)%	23.5	6.0%	-	-	-	-	23.5	6.0%	41.0	(0.9)%
Hygiene Living Care Business	107.0	3.6%	34.0	5.1%	0.8	(6.1)%	-	-	34.8	4.8%	141.7	3.9%
Health Beauty Care Business	62.4	3.7%	10.6	10.0%	32.0	0.5%	17.1	(4.5)%	59.8	0.6%	122.2	2.2%
Cosmetics Business	45.2	8.3%	14.6	17.9%	1.7	(5.1)%	6.6	(3.9)%	22.9	8.6%	68.1	8.4%
Business Connected Business	10.5	8.1%	0.2	125.2%	-	-	-	-	0.2	125.2%	10.7	8.9%
GC Business	225.0	4.8%	59.4	8.9%	34.5	0.1%	23.8	(4.3)%	117.7	3.4%	342.7	4.3%
Chemical Business*	40.6	9.0%	33.8	1.8%	25.5	0.1%	29.0	3.3%	88.4	1.8%	129.0	4.2%
Consolidated	254.7	5.4%	92.0	5.8%	60.0	0.2%	52.0	(0.3)%	204.1	2.6%	458.7	4.2%

* Net sales of the Chemical Business include intersegment transactions

- Sales by geographic region are classified based on the location of the sales recognized.

Q2 Consolidated Results by Segment (April-June)

- In the Cosmetics Business, steady growth outside Japan, the strengthening of focus brands, and profit structure reforms progressed steadily, resulting in increases in operating income for six consecutive quarters.
- The Chemical Business substantially increased operating income by capturing demand and adjusting selling prices, among other initiatives, as well as the YoY impact of unrealized gains.

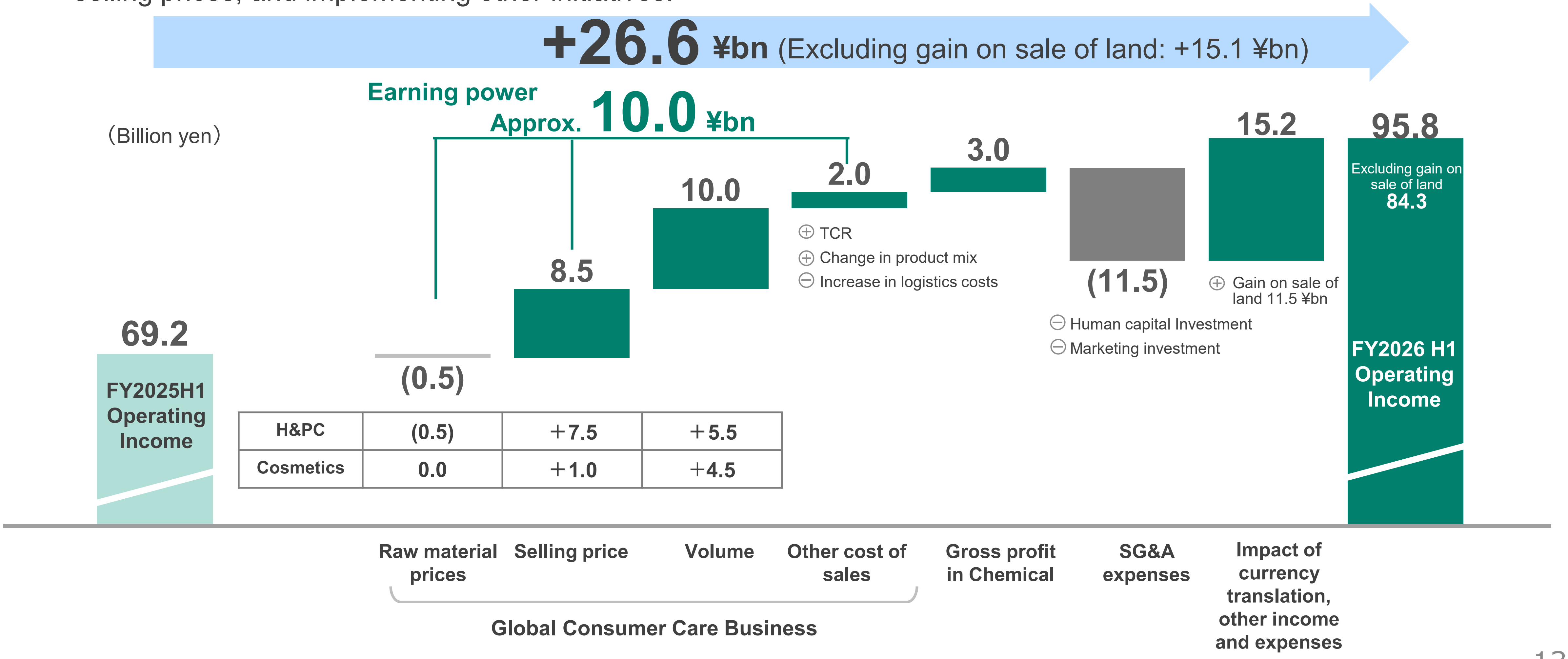
	Net sales				Operating income		
	Billion yen	Like-for-like	By Volume	By Price	Billion yen	Change	Operating margin
Fabric & Home Care	100.7	5.9%	2.2%	3.7%	17.8	1.0	17.6%
Sanitary	41.0	(0.9)%	(0.9)%	(0.0)%	1.9	(0.3)	4.5%
Hygiene Living Care Business	141.7	3.9%	1.3%	2.6%	19.6	0.8	13.8%
Health Beauty Care Business	122.2	2.2%	1.2%	1.0%	12.0	0.5	9.8%
Cosmetics Business	68.1	8.4%	7.8%	0.7%	3.7	2.8	5.4%
Business Connected Business	10.7	8.9%	5.3%	3.7%	0.7	0.2	7.0%
GC Business	342.7	4.3%	2.6%	1.7%	36.1	4.3	10.5%
Chemical Business*	129.0	4.2%	(3.1)%	7.3%	14.5	8.2	11.2%
Consolidated	458.7	4.2%	0.9%	3.3%	50.9	12.6	11.1%

* Net sales of the Chemical Business include intersegment transactions

- Growth by volume includes changes due to differences in product mix.
- Sales by geographic region are classified based on the location of the sales recognized.

Analysis of Change in Operating Income in H1 (YoY Change)

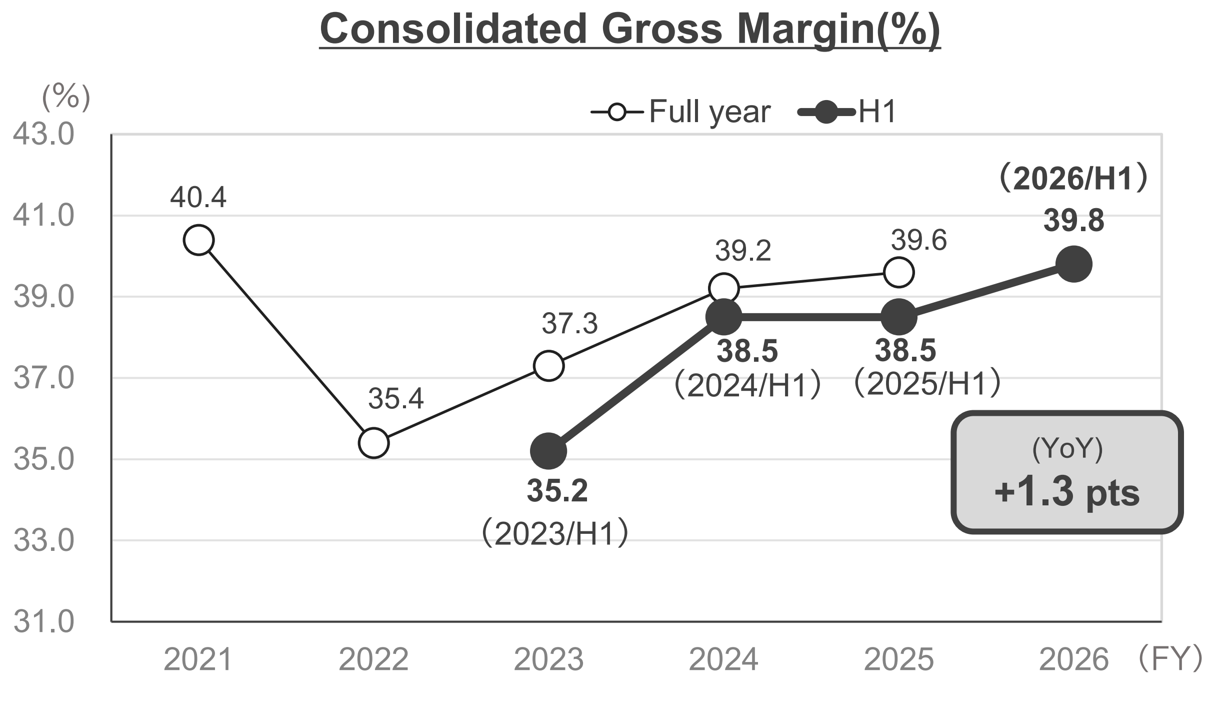
- Excluding the gain on the sale of land, operating income reached 84.3 billion yen, the highest level since FY2019.
- The GC Business effectively captured increased demand resulting from the situation in the Middle East, with both selling price and sales volume performing strongly.
- The Chemical Business recovered from its Q1 profit decline and achieved profit growth by capturing demand, adjusting selling prices, and implementing other initiatives.

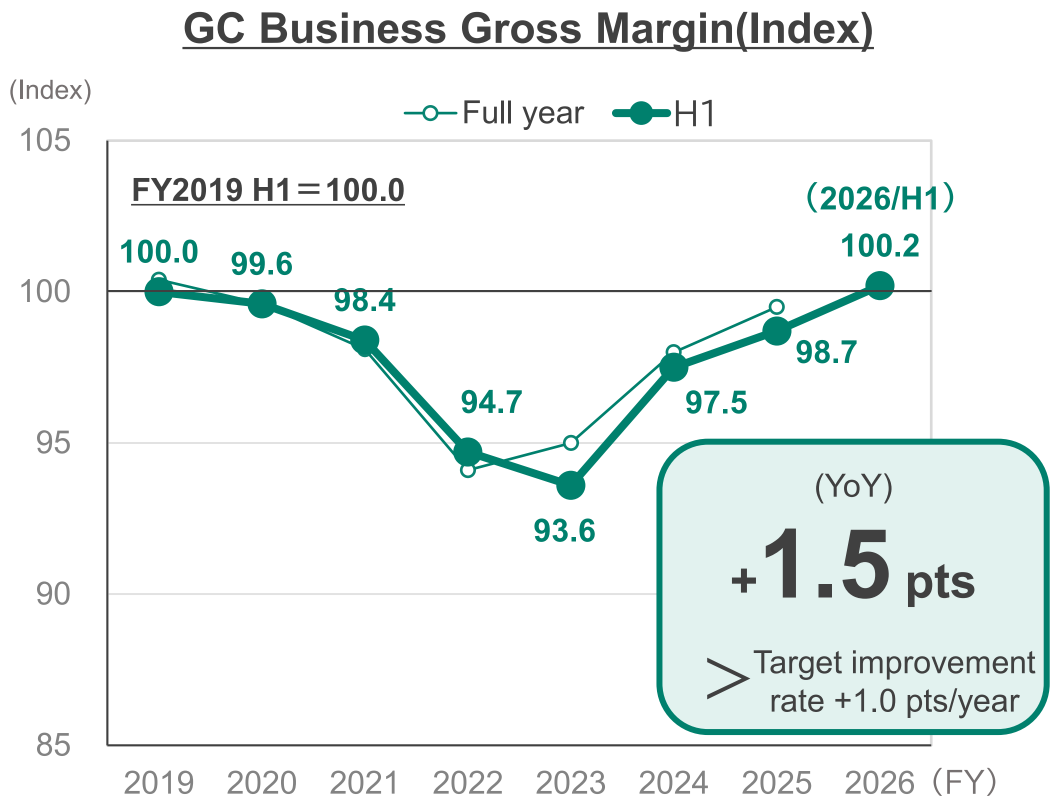


H&PC	(0.5)	+7.5	+5.5
Cosmetics	0.0	+1.0	+4.5

Further Improvement of Earning Power

- Mechanisms to drive gross profit growth, including the launch of high-value-added products, Total Cost Reduction (TCR) initiatives, and product mix improvements, have become firmly established, further improving earning power.
- Gross margin in the GC Business exceeded the FY2019 level.





Gross margin for FY2023 represents "core gross margin."

Further Reinforcing the GC Business in Japan: FY2026 H1 Results

- A consistent brand concept and high-value-added products strengthened brand loyalty, while cross-category sales expansion drove sustainable profit growth.

H&PC

Kao's market share

25.0%

+0.4 pts YoY

From July 2023,
12 consecutive quarters of YoY growth

Market Share of Jan.-Jun. 2026(%)
YoY change(pts)

Representative Brands

Premium Price Segment
Creating new value

Mass-market Price Segment
Stable earnings base

	Laundry detergents	Sunscreens	Facial cleansers	In-bath hair care
Rank	No.1	No.1	No.1	No.1
Share / YoY	47% +1.0 pts	35% +1.8 pts	33% +5.0 pts	15% +1.4 pts

Cosmetics

Six Focus Brands

Sales growth +13%

(Market: (1)%)

Curél	KATE TOKYO	SOFINA
+27%	+14%	+4%

No.1: INTAGE, Inc. SRI+, Jul. 2025-Jun. 2026, Sales value

Strengthening Focus Businesses outside Japan: H1 Results

- Achieved steady growth centered on key brands and strategic areas.

				YoY sales growth
Cosmetics	Europe Americas Asia	SENSAI Curél KATE TOKYO etc.	Strengthened global collaboration to drive the "three strategic expansion models" *KATE*: Ramped up new product rollouts in tandem with Japan, starting in Thailand *Curél*: Began rollouts in Brazil and the Netherlands	+ 7%
Skin protection **(UV care, Self tanning)**	Europe Americas Asia		*Bioré UV* (Americas): Sell-out increased at key strategic retail chains in North America (Asia): Expanded rollout and increased sales in ASEAN, using new products as a hook *Bondi Sands*: Expanded distribution and outpaced market growth in North America	+ 10%
JERGENS Base **(Skin care)**	Americas Asia		Despite a drop in Q2 in comparison to the new product sell-in in Q1, new products and digital initiatives in FY2026 drove awareness growth among younger consumers, supporting sales growth.	+ 4%
Laurier **(Sanitary products)**	Asia		Globally integrated value creation and loyalty marketing drove more than 20% growth in China and secured upper-single-digit growth in Indonesia in Q2.	+ 8%
Electronic materials **(Chemicals)**	Europe Americas Asia		Strong demand for generative AI and data centers drove rapid global growth, particularly in Asia.	+ 18%

Chemical Business - FY2026 H1 Results

- In H1, selling price adjustments and procurement measures were promptly implemented to counter significant external headwinds, minimizing the impact on profits. The Kao Group promoted stable operations and strengthened its sustainable earnings structure.
- In H2, the Kao Group will drive profit growth through selling price adjustments in response to market fluctuations, expansion of high-value-added areas, and increased sales.

	Oleo chemicals	Consumer care chemicals	Performance chemicals	Information materials
	 	 	 	 
Main Products	✓ Fatty alcohols ✓ Tertiary amines ✓ Emulsifiers for food	✓ Surfactants and formulated products ✓ Fragrances	✓ Water-reducing admixtures for concrete ✓ Plastic additives ✓ Casting sand binders ✓ Cleaning agents for steel	✓ Toners, Toner binders ✓ Inkjet ink colorants and inks ✓ Semiconductor chemicals ✓ Hard disk chemicals
Situation up to H1	Profits improved due to the effect of selling price adjustments in Q2.	Selling price adjustments and increased sales volume contributed to profit growth.	Increased sales volume by maintaining stable supply despite the situation in the Middle East.	Strong sales of electronic materials (chemicals for semiconductors and hard disks) in Japan and Asia.
Initiatives in H2	Continue to flexibly adjust selling prices in response to fluctuations in the fats and oils market.	Strengthen sales expansion of high-value-added products for use in premium-priced products.	Capture construction demand for information infrastructure (data centers, etc.) and continue sales expansion in related sectors.	Accelerate customer adoption and sales expansion, primarily in semiconductor-related fields.

H1 Improvement Results for Capital Efficiency and Profitability by Business Area (vs. FY2025 H1 Results)

- ROIC improved steadily in both the growth driver and stable earnings business areas.
- In the business transformation area, ROIC decreased for hair care, but improved for sanitary products. Rebuilding of businesses facing challenges proceeded according to plan.

(vs. FY2025 H1)	Stable Earnings	Growth Driver	Business Transformation	Total
	• Fabric and Home care • Personal health	• Skin Care • Cosmetics • Business Connected (Commercial-use hygiene products) • Chemicals	• Sanitary • Hair Care (Including professional hair care)	
Sales Growth Rate (%)	**+4.6**	**+4.0**	**+0.6**	**+3.4**
Improvement in Operating Income (Billion yen)	**+3.6**	**+11.6**	**(0.4)**	**+26.6**[*2]
Improvement in ROIC[*1] (pts)	**+1.5**	**+1.5**	**(0.4)**	**+2.5**

1. Business-area ROIC is an internal indicator for strengthening management in each business. Focused on improvement rates, it is calculated using operating assets, such as inventory and fixed assets, as invested capital in the denominator. Consolidated ROIC is positioned as a major KPI for the Kao Group as a whole. It is calculated using invested capital based on the Consolidated Statement of Financial Position in the Annual Securities Report as the denominator.
2. Certain expenses are treated as corporate expenses.

03

FY2026 Forecast

FY2026 Forecast

Billion yen	FY2025*1		FY2026				
		Growth	Revised Forecast	Growth	Change	Initial Forecast	Change form Initial
Net sales	1,688.6	+3.7%	**1,800.0**	+6.6%	+111.4	1,750.0	+50.0
Effect of currency translation*4		(0.0)%		+2.8%	+47.9		+40.1
Like-for-like growth		+3.7%		+3.8%	+63.5		+9.9
Operating income	163.5	-	**190.0**	+16.2%	+26.5	182.0	+8.0
Operating margin(%)	9.7%	-	**10.6%**	-	+0.9pts	10.4%	+0.2pts
Income before income taxes	169.9	-	**193.0**	+13.6%	+23.1	185.0	+8.0
Net income attributable to owners of the parent	120.1	+11.4%	**135.0**	+12.4%	+14.9	130.0	+5.0
EBITDA (Operating income + Depr. & Amort.+ Impairment losses)	250.2	-	**278.0**	+11.1%	+27.8	270.0	+8.0
ROE (%)	11.3%	-	**12.3%**	-	+1.0pts	12.0%	+0.3pts
Basic earnings per share (yen)*2	130.15	+12.2%	**149.21**	+14.6%	+19.06	143.70	+5.51
Cash dividends per share (yen)*3	154.00	-	**156.00**	-	+2.00	156.00	-

1. Due to early adoption of IFRS 18, operating income, income before income taxes, and EBITDA for FY2025, are presented on a retrospectively restated basis. Accordingly, YoY percentage changes for these items are not presented because they are not comparable.
2. Amounts are presented after reflecting the impact of a share split at a ratio of two shares for each ordinary share conducted on the effective date of July 1, 2026. YoY percentage changes for FY2025 are calculated on a pre-share-split basis.
3. Amounts are presented before reflecting the impact of a share split at a ratio of two shares for each ordinary share conducted on the effective date of July 1, 2026.
4. Exchange rate assumptions: 157 yen/USD, 182 yen/Euro, 22.8 yen/Yuan

Key Points of FY2026 Sales Forecast by Segment

- Cosmetics Business: Achieve substantial growth outside Japan by strengthening global collaboration and advancing the “three strategic expansion models" growth strategy.
- Chemical Business: Drive the expansion of high-value-added areas and sales while advancing selling price adjustments in response to market fluctuations.

Billion yen	Japan	Like-for-like	Outside Japan	Like-for-like	Consolidated	Like-for-like	Overview of Initiatives from Q3 Onwards
Hygiene Living Care Business	434.0	3.9%	140.0	1.0%	574.0	3.2%	In Japan, offset the impact of rising raw material prices through price increases and aim to expand sales through high-value-added offerings and other initiatives. In Asia, regain momentum through value-added offerings and other measures.
Health Beauty Care Business	233.0	3.5%	226.0	2.6%	459.0	3.0%	In Japan, ensure profitability by increasing selling prices to counter rising raw material prices. In the Americas and Europe, accelerate growth by restaging brands and launching new products.
Cosmetics Business	187.0	5.6%	96.0	6.6%	283.0	5.9%	In Japan, drive further profit growth by launching new products in category shelves in open-sell channels. In addition, accelerate the global expansion of focus brands.
Business Connected Business	40.0	3.1%	1.0	68.9%	41.0	5.4%	Aim for growth by increasing selling prices in response to rising raw material prices, acquiring new customers in the core food service sector, and offering high-value-added solutions.
GC Business	894.0	4.1%	463.0	2.9%	1,357.0	3.7%	—
Chemical Business*	154.0	6.5%	340.0	3.3%	494.0	4.3%	Reinforce the profit base through flexible selling price adjustments in response to market fluctuations, expand sales in growth markets, and ramp up new businesses. Concurrently, address regional market disparities and changes in the competitive landscape.
Consolidated	1,000.0	3.8%	800.0	3.8%	1,800.0	3.8%	—

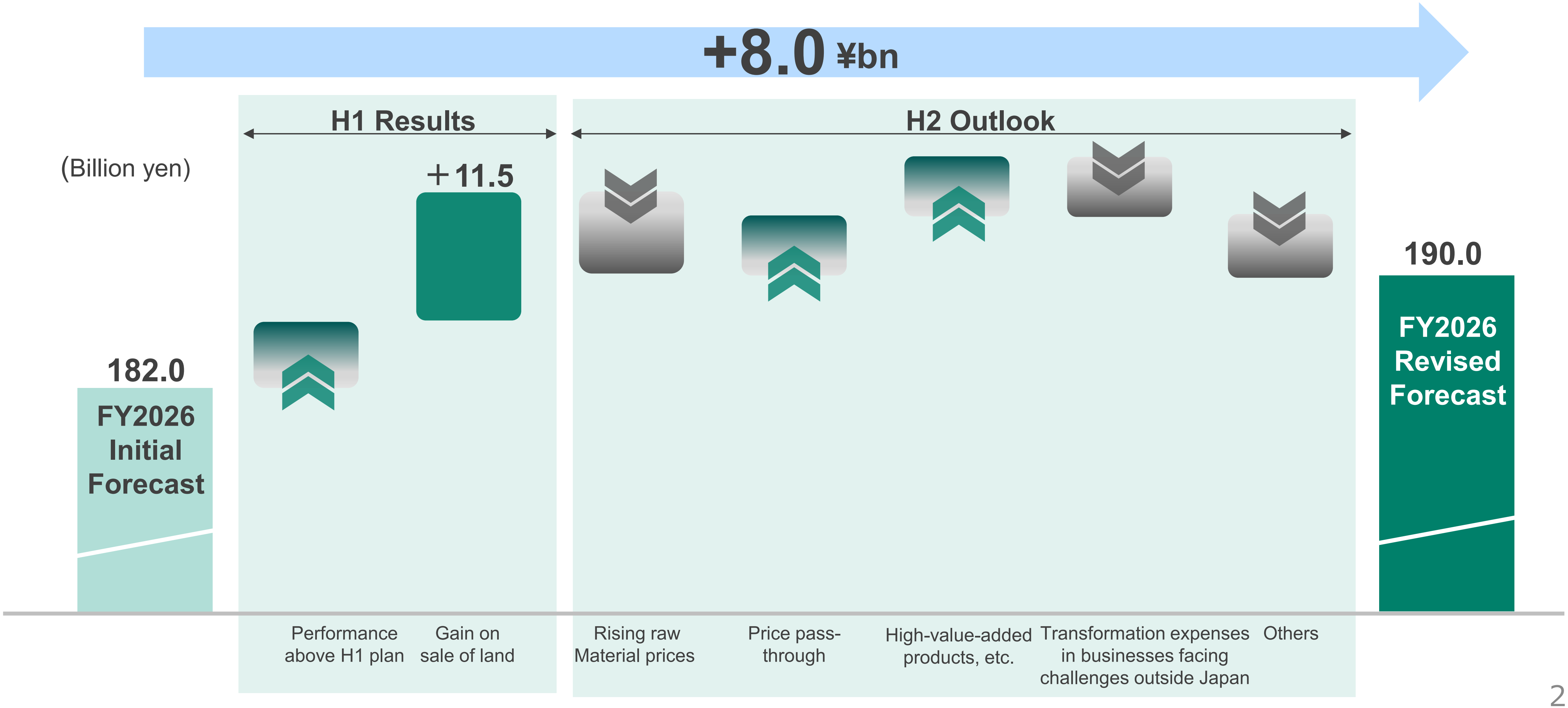
《GC Business sales outside Japan》		
Asia	230.0	3.7%
Americas	132.0	3.6%
Europe	101.0	0.3%

* Net sales of the Chemical Business include intersegment transactions

Sales by geographic region are classified based on the location of the sales recognized.

Analysis of Change in Operating Income in FY2026 (vs. Initial Forecast)

- H1 operating income exceeded the initial forecast, even excluding gain on sale of land.
- The full-year operating income forecast has been revised upward to 190.0 billion yen, after factoring in the H2 risks from the situation in the Middle East and transformation expenses in businesses facing challenges outside Japan.

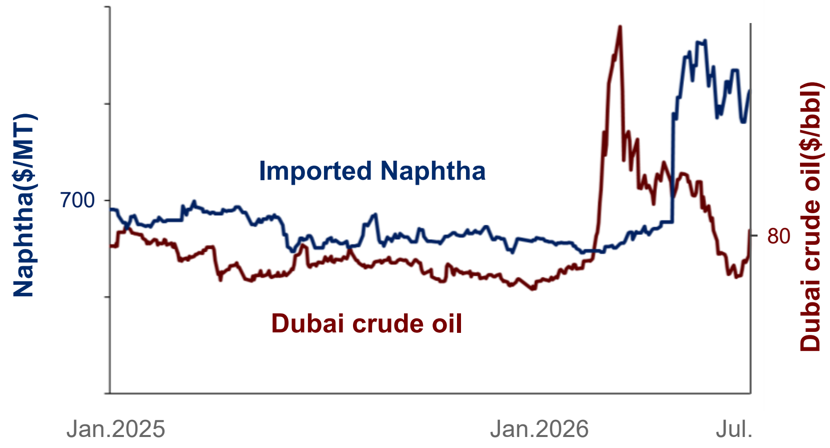


Note: Except for gain on sale of land, the size of each shape does not indicate the relative magnitude of the corresponding factor’s actual contribution.

Impact of Raw Material Prices: Profit & Losses Impact to Become Apparent from Q3 Onward

- Raw material market prices are currently showing signs of rising, creating uncertainty.
- Changes in procurement prices affect profit and losses with a lag of 2-3 months as inventory passes through production and sales.

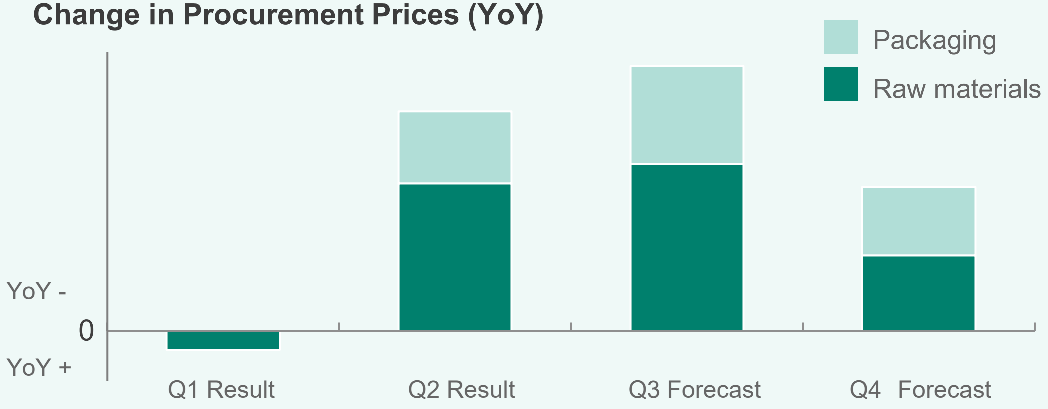
Naphtha and Dubai crude oil market prices trend



Fats and oils market prices trend

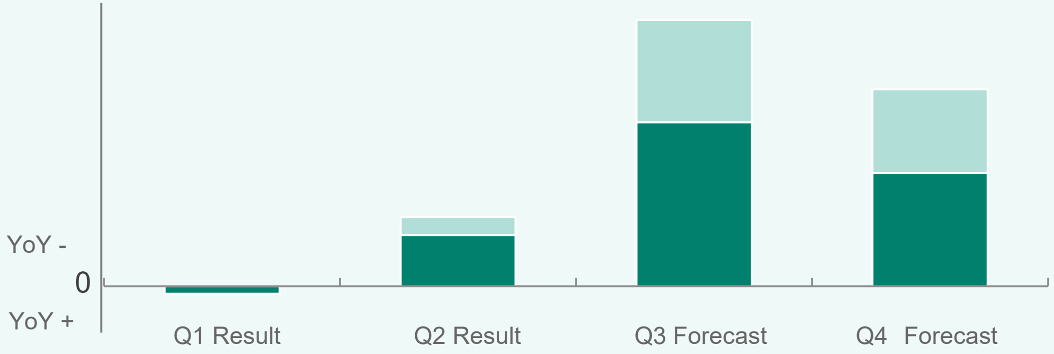
FY2026 Quarterly Results and Forecast

Change in Procurement Prices (YoY)



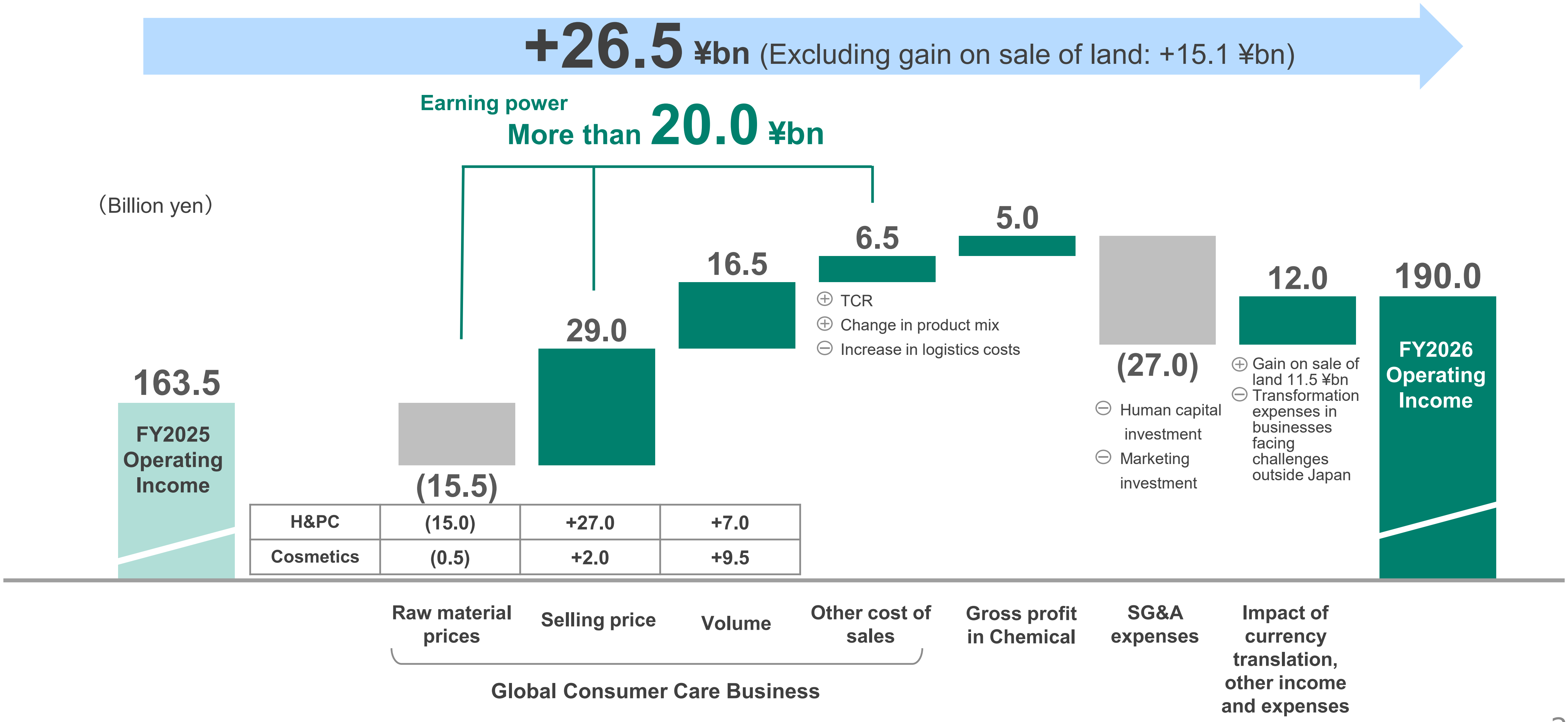
2–3 months lag in impact of change in procurement prices on profit and losses

Impact on Profit & Losses (YoY)



Forecast of Factors in Operating Income in FY2026 (vs. FY2025 Results)

- Aiming for a 26.5 billion yen increase in operating income by using increased earning power and sales volume to offset rising raw material prices and higher SG&A expenses.



	Raw material prices	Selling price	Volume
H&PC	(15.0)	+27.0	+7.0
Cosmetics	(0.5)	+2.0	+9.5

K27 Progress

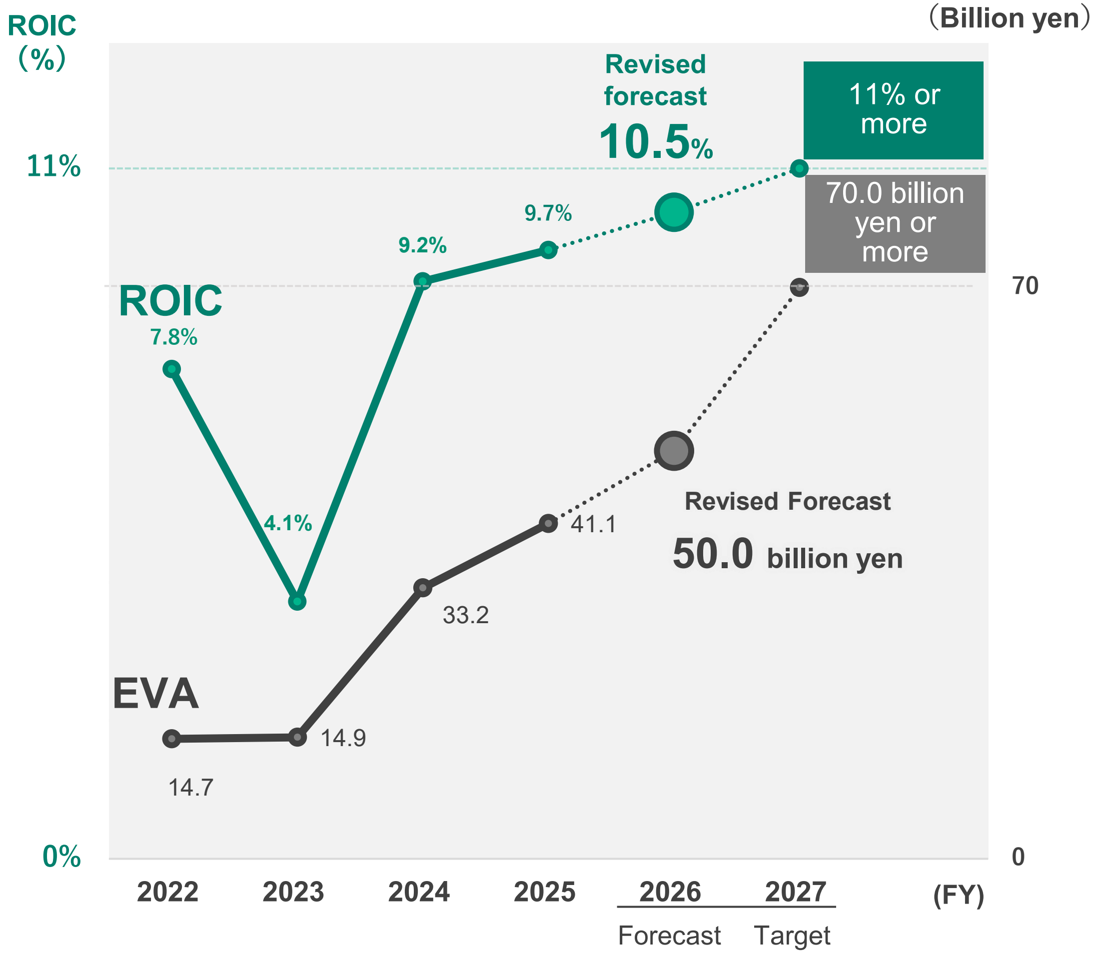
- Making steady progress toward achieving the targets of K27. Full-year earnings forecast for FY2026 revised upward.

(Billion yen)	FY2023 Results	FY2024 Results	FY2025 Results	FY2026[*3] Initial Forecast	FY2026 Revised Forecast	FY2027 Target
ROIC	4.1%	9.2%	9.7%	10.5%	10.5%	11.0% or more
EVA	14.9	33.2	41.1	51.0	50.0	70.0 or more
Operating Income	114.7[*2]	146.6	163.5	182.0	190.0	Record-high operating income (FY2019 211.7 billion yen)
Sales outside Japan[*1]	655.8	705.5	725.2	760.0	800.0	800.0 or more (Sales CAGR+4.3%)

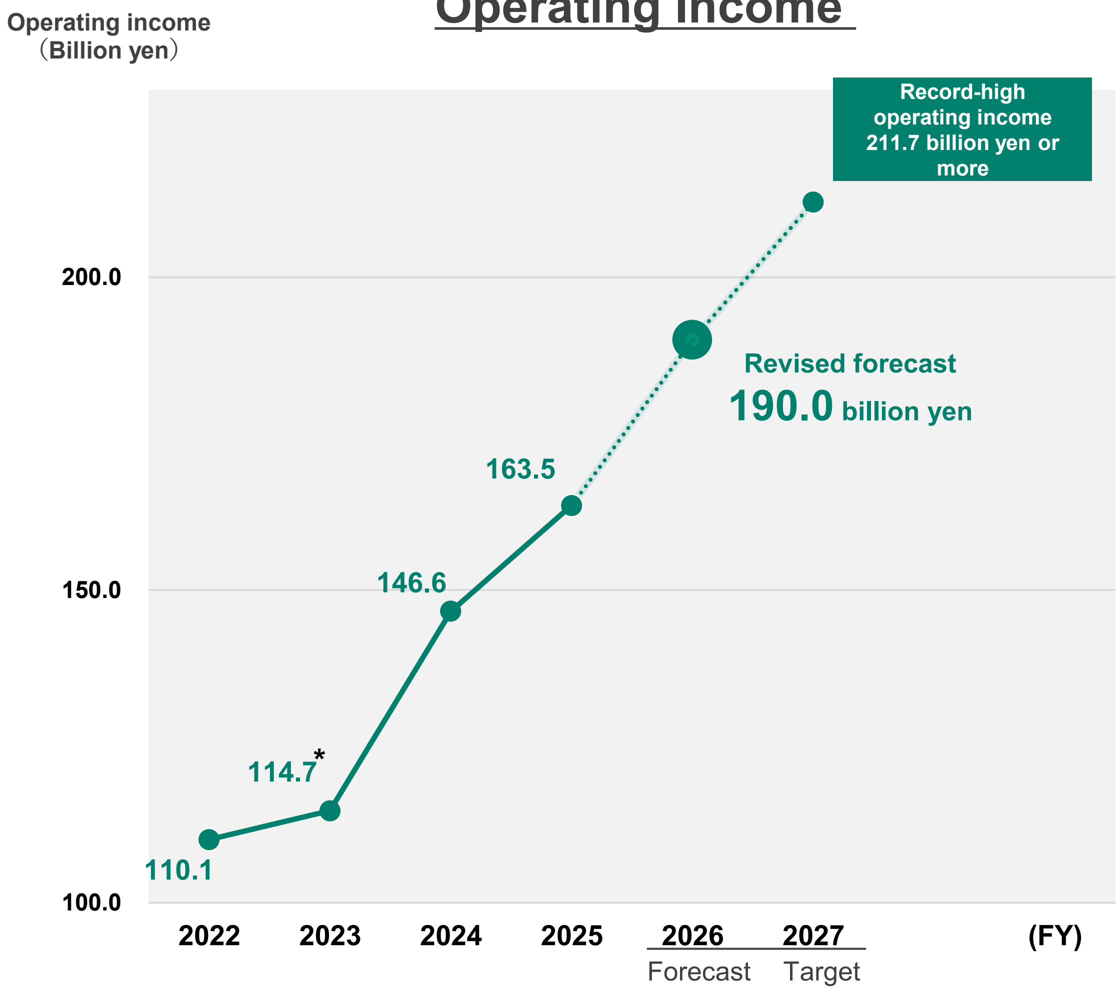
1. Sales outside Japan are based on the location where the sales were recognized.
2. Core operating income
3. Announced on February 6, 2026

K27 Progress

ROIC and EVA



Operating Income



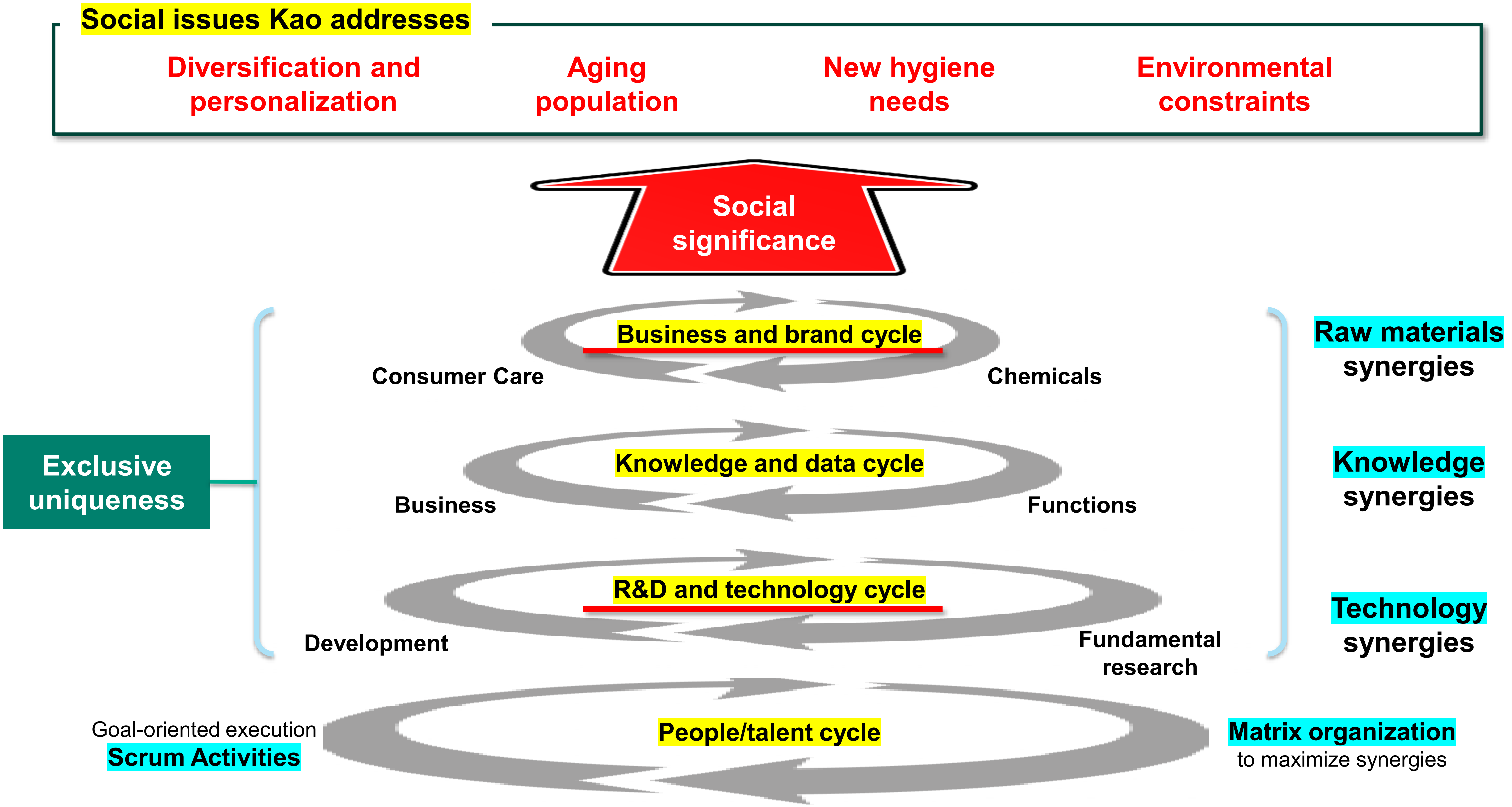
* Income for FY2023 represents "core income"

04

Kao's Value Creation Model: Recent Progress and Next Steps

1. **Kao's Value Creation Model**
2. **Path to Further Growth**
   – Cosmetics, Chemicals (Electronic Materials)
3. **New Initiatives**
   – Logistics Reform, New Marketing
4. **Shareholder Benefits**

Kao's Circular Growth Model



Value Creation Model Built on Core Science and Technology

Kao

Adaptive
Technology
Adapt to change

Diversification and personalization

Aging population

Sustainable Value

Social significance

△

Product & Brand

Exclusive uniqueness

△

Core Science & Technology

Precision interface control technology

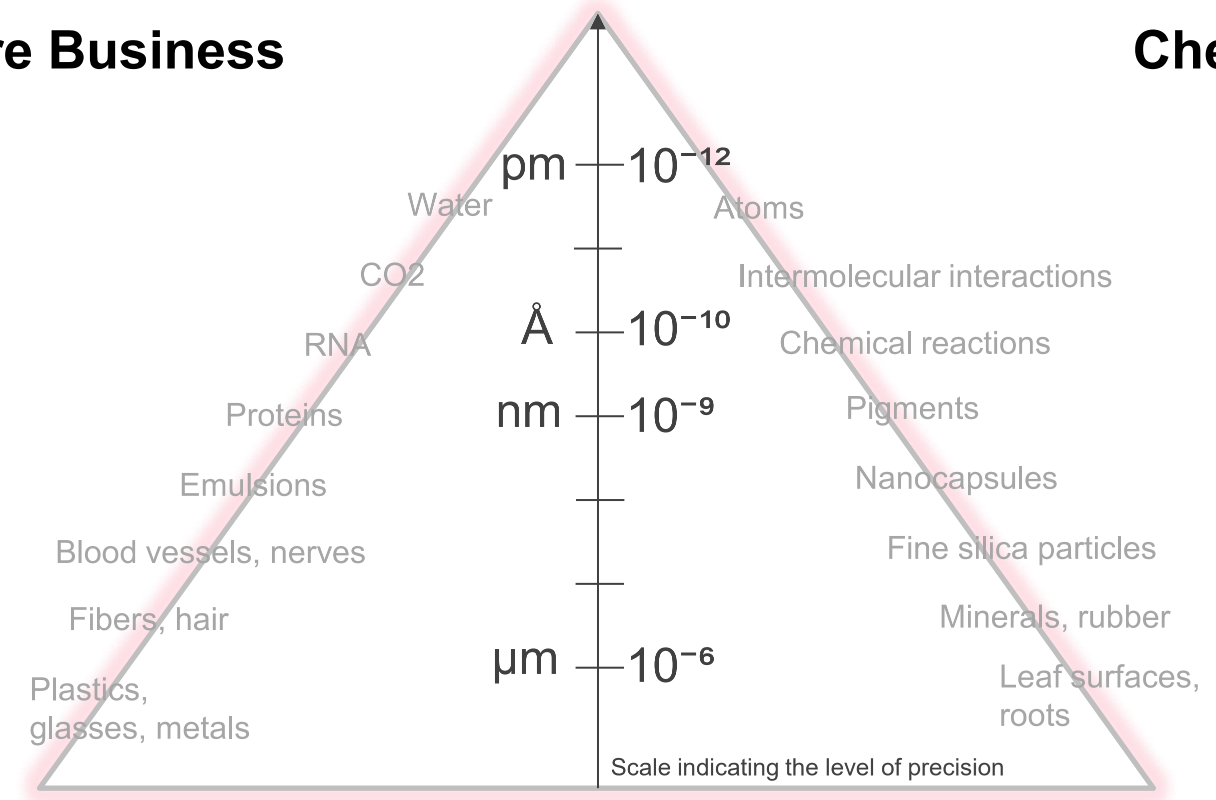
Environmental constraints

New hygiene needs

Resilient
Technology
Perform regardless of change

Global Consumer Care Business

- Cosmetics ★
- Skin Care & Hair Care
- Personal Health
- Sanitary (napkins and diapers)
- Fabric & Home Care



Chemical Business

- Electronic Materials (semiconductors and HDDs) ★
- Oleo & Derivatives (catalysts)
- Printing (inkjet inks and toner)
- Performance Chemicals (infrastructure and automotive)
- Agrochemicals (adjuvants)

04-01

Cosmetics Business

Expanding into New Areas of Skin Care (Technologies focused on water molecules and RNA)

Sofina Enters the Self-Selection Skin Care Segment

Hydration Accelerator

Hydrating Lotion / Moisturizing Emulsion

Two Essential Care Formulations for the Skin

Protein Care ＋ **Ceramide Care**

Formulated with a protein-based moisture retaining ingredient ＋ Formulated with Ceramide Care Ingredient e / Formulated with Ceramide Care Ingredient

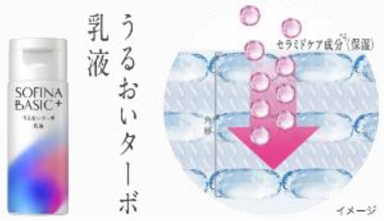
<*Sofina* proprietary technology>

Auto-Hydration Technology

Moisture Turbo Lotion

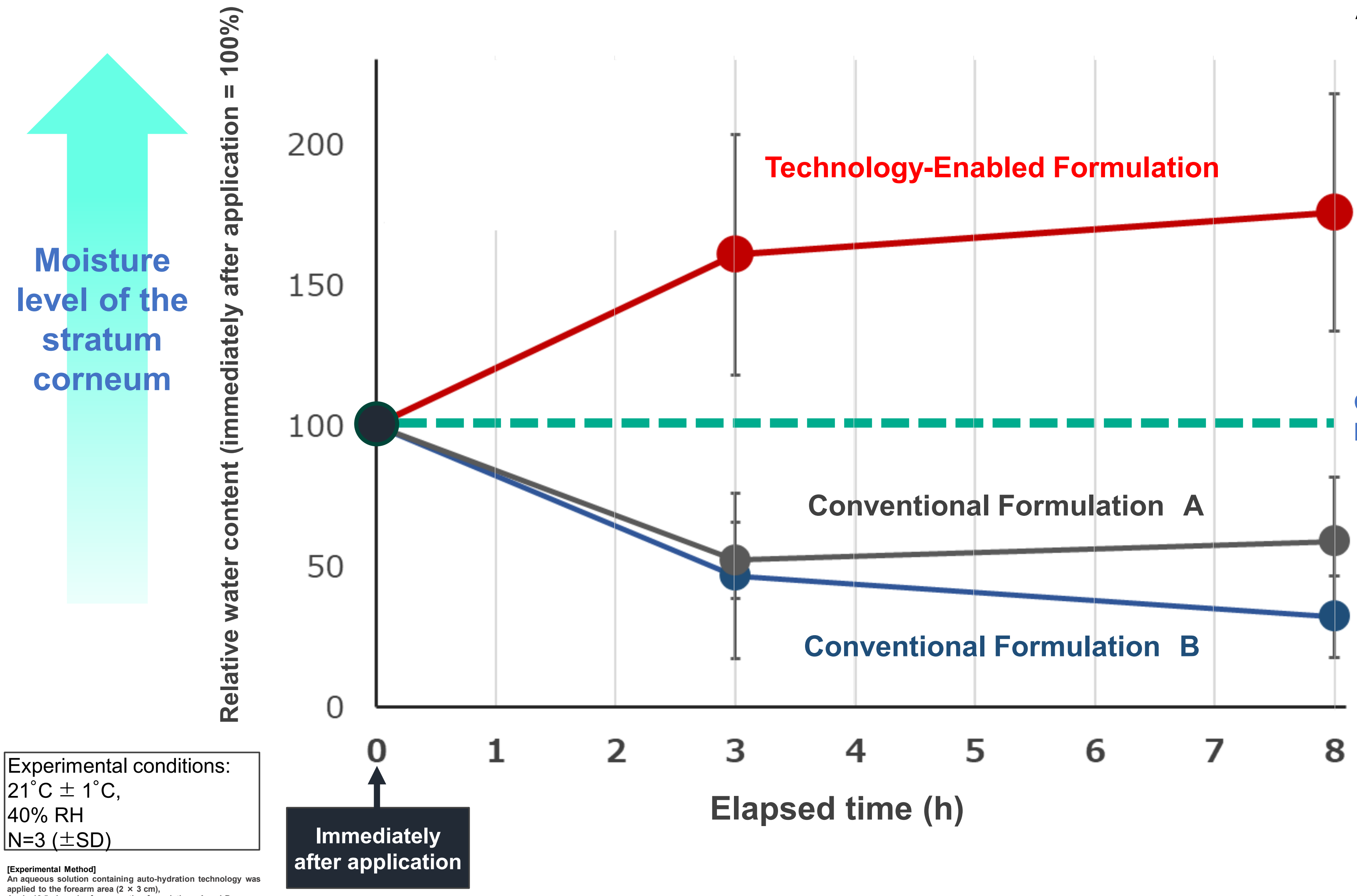
<*Sofina* proprietary technology>

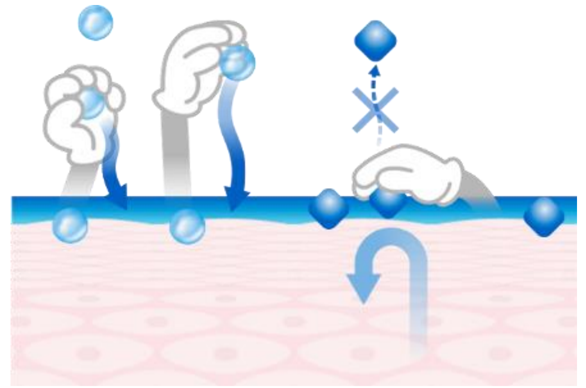
High-penetration Ceramide Care Technology



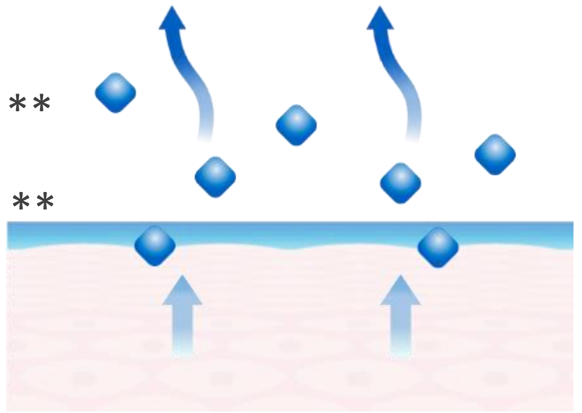
Moisture Turbo Emulsion

Increased Skin Hydration with Water Capturing Skin Technology





Goal:
Retain moisture applied to the skin

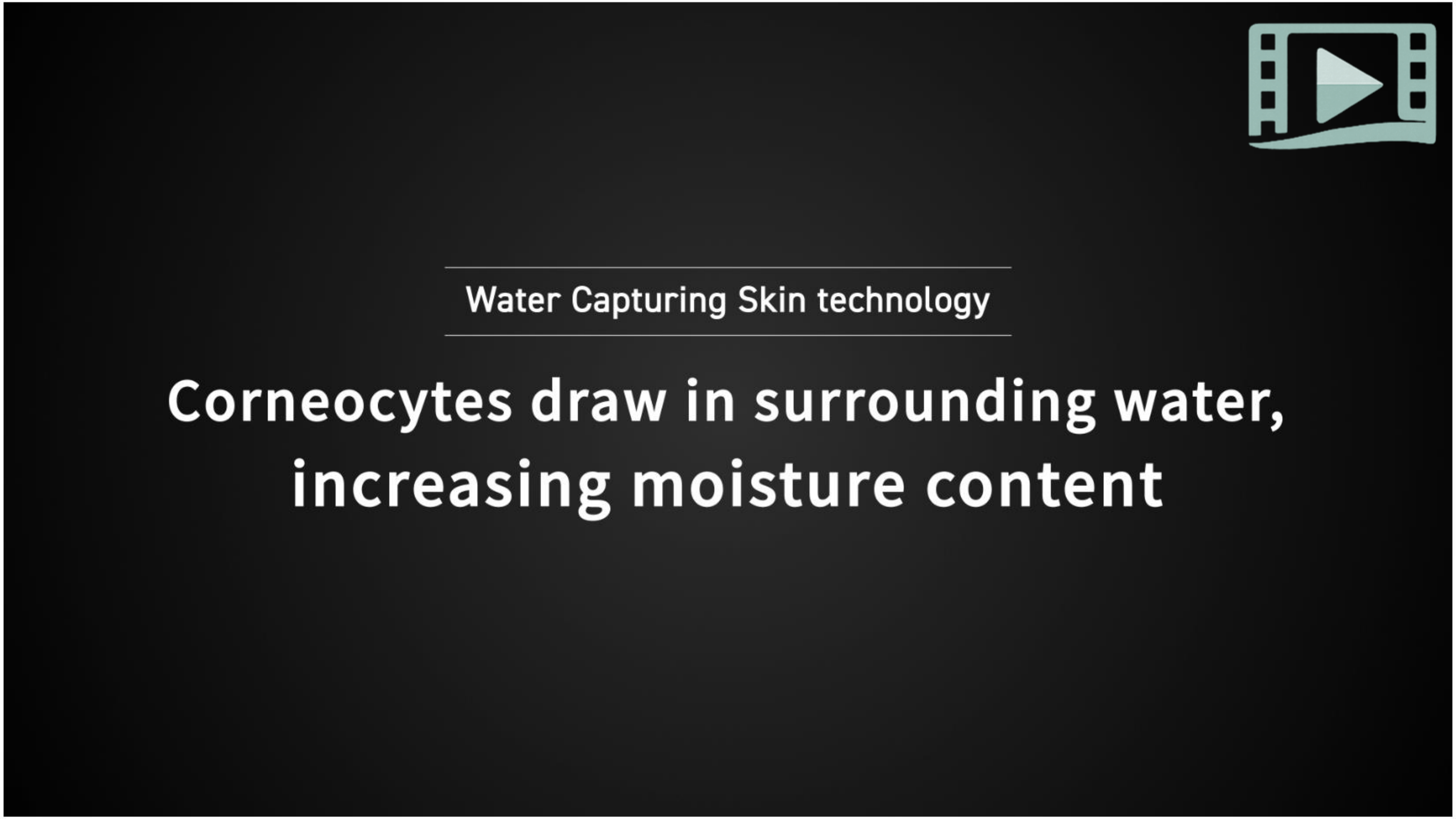


Experimental conditions:
21˚C ± 1˚C,
40% RH
N=3 (±SD)

[Experimental Method]
An aqueous solution containing auto-hydration technology was applied to the forearm area (2 × 3 cm),
Apply 12.5 µL each of comparative formulations A and B
Moisture content of tape-stripped stratum corneum cells
Water content ratio: (water + polyol / protein) measured by FT-IR

Increase in Water Content of Stratum Corneum Cells

Microscopic ATR-IR Analysis



Sofina: Strategic Rationale for Entering a New Market Segment

Self-selection market

956.0 billion yen

Drugstore products priced at ¥1,000 to ¥2,000 account for Approx. 80% of unit sales

Sofina BASIC+

Strategic entry

New mid-price segment
¥ 1,000 to under ¥ 2,000

By 2030, aim to become
the leading brand in self-selection skin care

Sofina Premium

Premiumization

Premium price segment:
¥ 5,000 and above

Mid-price segment:
¥ 2,000 and above

Scale advantage

Broad-based recognition of product performance (Mass appeal)

Maximized performance through personalization

1) Market scale advantage

Broad consumer reach through the ¥956.0 billion self-selection market and the drugstore channel, which accounts for approximately 40% of sales.

2) Engine for building trust

Build trust in *Sofina* skin science through first-hand product experience, creating a path to higher-performance products.

3) Deepening loyalty

Build awareness through self-selection, then deepen personalization and drive premiumization.

Strategic significance:
High growth market segment × Outstanding perceived quality × High profitability
→ By 2030, aim to increase global sales by 50% and the user base in Japan by 70%

The Pinnacle of *Sofina*: *est* (essence of *Sofina* technology)

Sebum RNA × Fine Fiber (FF)

Rewrite the Future of Your Skin. A New Anti-Aging Cream.

New Technology

A new technology that forms a skin-like layer on the surface of the skin

“Dispersible FF Genoluxe Technology”

A new fiber that forms a skin-like film simply upon application
“Dispersible Microfibers”

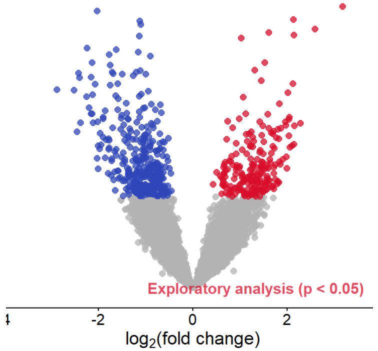
Integrating technology with Asahi Kasei Corporation

“Genoluxer”
A new ingredient that boosts effectiveness

New Discovery

Why does the degree of improvement vary?

164 aging-related RNAs across five functional groups



Aging-related RNAs identified for the first time

- Barrier function
- Skin formation
- Innate immunity
- Phosphorylation
- Splicing

Sofina: An Integrated Portfolio Strategy for a New Era

Kao

A new mid-price market[*1] penetration by *Sofina*

Current	New
High-price Segment Over ¥5,000	High-price Segment Over ¥5,000
Mid-price Segment ¥2,000 to under ¥5,000	Mid-price Segment ¥2,000 to under ¥5,000
Low-price Segment Under ¥2,000	New mid-price Segment[*1] ¥1,000 to under ¥2,000 (SOFINA BASIC+)
	Low-price Segment Under ¥1,000

est True to you.

Essence of *Sofina* Technology

A prestige brand powered by
Kao's latest advances in skin science
Bringing out the beauty within each individual

SOFINA

Precision Skin Care

Advanced skin care powered by deep-layer skin science and interface control technology

New SOFINA Brand Portfolio

Online EC	Counseling			Self-selection
SOFINA SYNC+	SOFINA ALBLANC	SOFINA iP	SOFINA Primavista 台湾・香港のみ展開ブランド SOFINA Ange	NEW SOFINA BASIC+

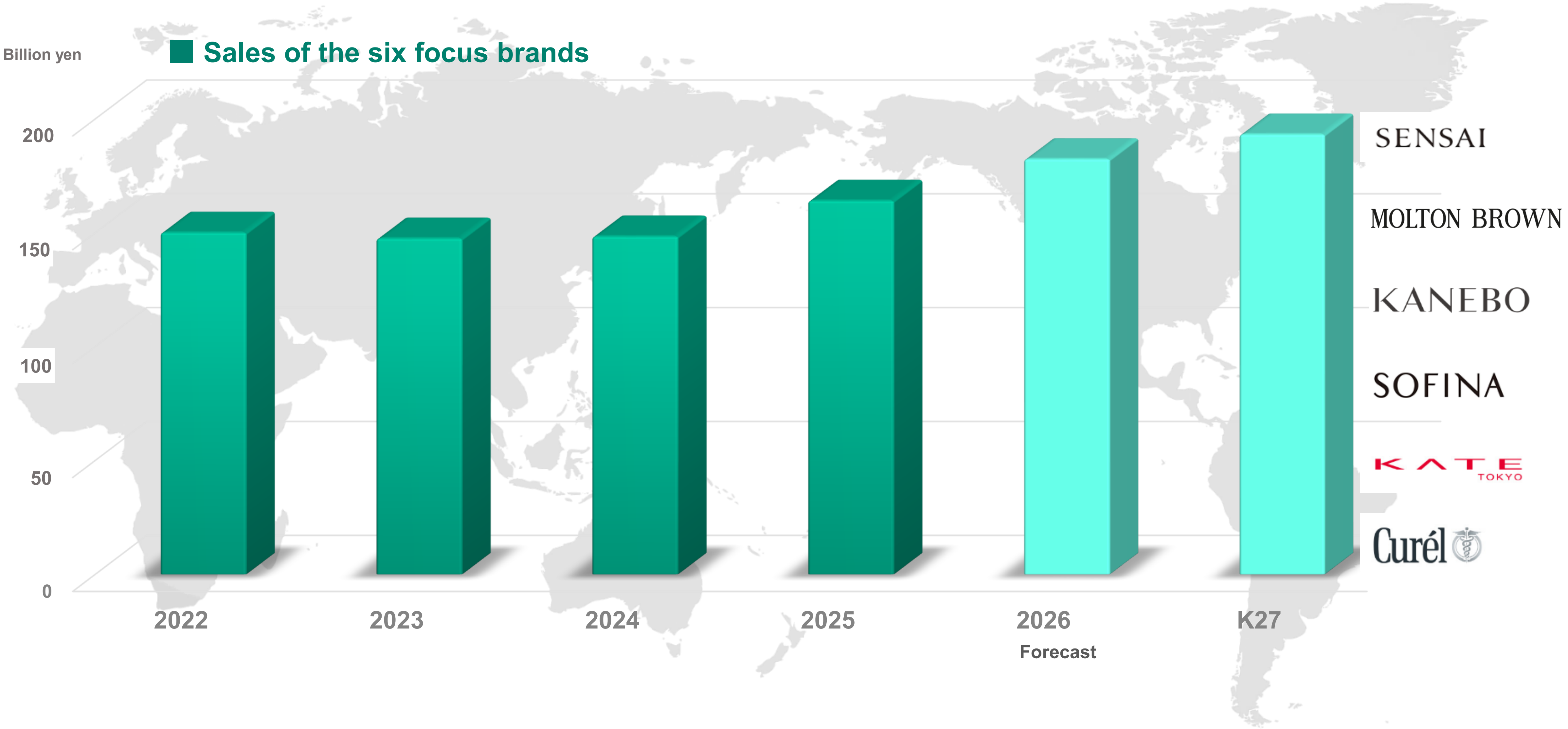
*1 Drugstores, supermarkets, and other general retail channels, excluding department stores; ¥1,000 to under ¥2,000

Strategic Direction for the Six Global Focus Brands

Covering a broad range of price points, consumer needs, and geographic markets

Note: Positions and areas are illustrative.

Six Focus Brands on a Growth Trajectory



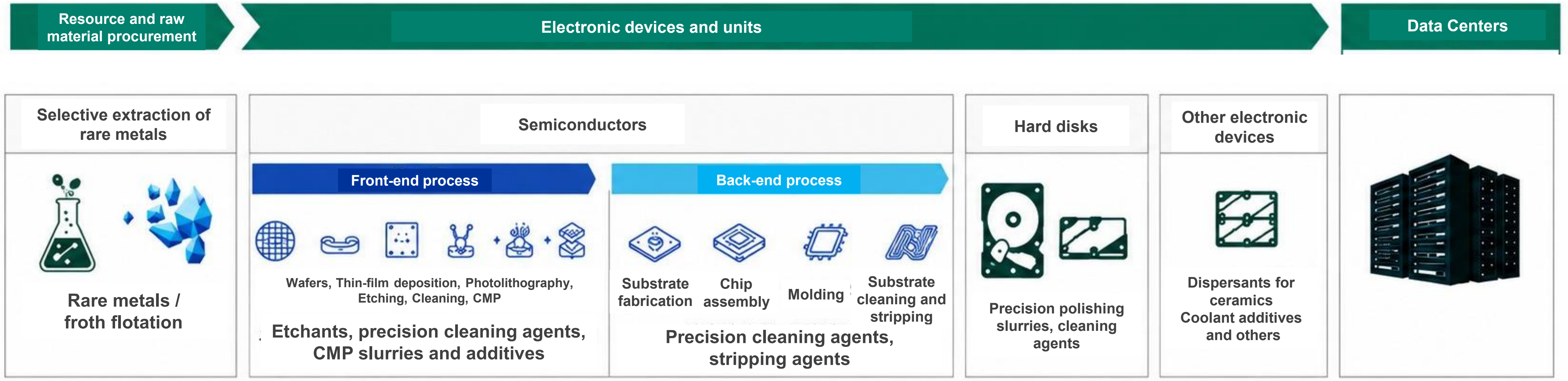
The world map image provided by PIXTA

04-02

Chemical Business

Electronic Materials: Progress and Targets
Ångström-scale (10^{-10} m) precision etching technology

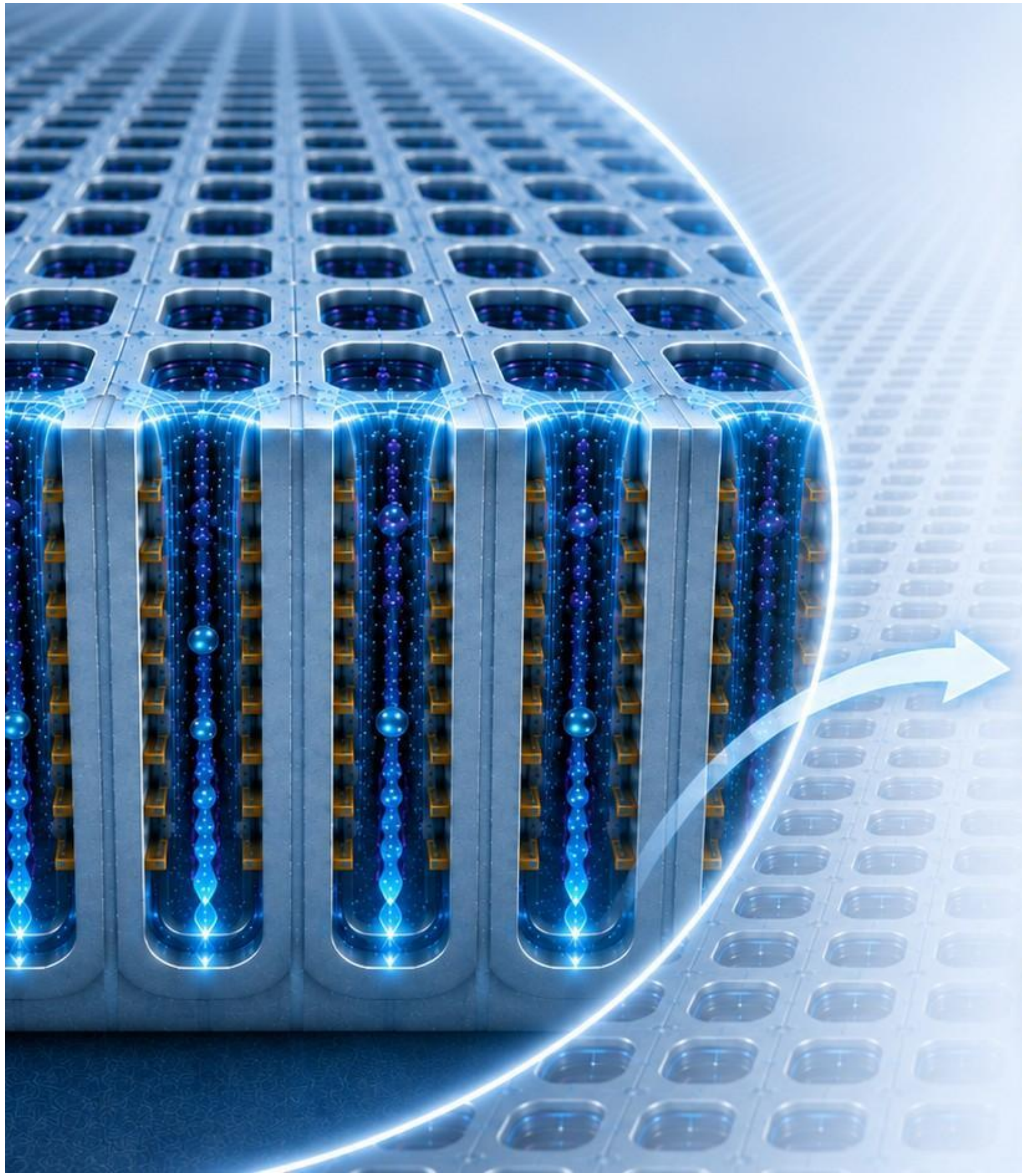
Kao Chemicals Enabling AI and Data Center Infrastructure



	Selective Extraction of Rare Metals	Semiconductor Front-End Process Materials (26 items surveyed)	Semiconductor Back-End Process Materials (8 items surveyed)	Hard disk-related Process chemicals
Market size	0.5 - 1.5 trillion yen	6.1 trillion yen	1.6 trillion yen	0.08–0.1 trillion yen
CAGR	5 - 8%	6 - 7%	6 - 7%	3 - 4%
Kao's business areas	Selective extraction of rare metals; chemicals for separation and purification	Etching agents, precision cleaning agents, CMP slurries, additives and others	Precision cleaning agents, stripping agents, and others	Precision polishing agents, cleaning agents
Kao's market position	Not disclosed	Top share Chemicals for specific NAND manufacturing processes	60% share Package substrate cleaning agents	50% share Polishing slurries for specific processes

Reference material: https://www.fuji-keizai.co.jp/report/detail.html?code=112504831

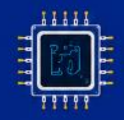
Strengths of Kao Process Chemicals for Semiconductors



- **Deliver uniform performance even to the finest features within complex structures**
- **Provide high material selectivity without damaging device structures or substrates**
- **Enable high processing precision and process stability**
- **Contribute to improved device performance and higher yield**

Kao: Business Plan for Semiconductor-Related Markets

Focus Areas and Process Chemicals



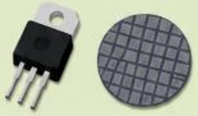
Logic
Advanced processes
CPUs, GPUs, Application Processors

DRAM
Volatile memory
AI-HBM, PCs, smartphones

NAND
Non-volatile memory
Data center servers, PCs, smartphones

Chemicals for advanced semiconductors

- High-purity chemicals
- Etching agents
- Precision cleaning agents and others



Power semiconductors
Power control and conversion
Automotive and energy applications

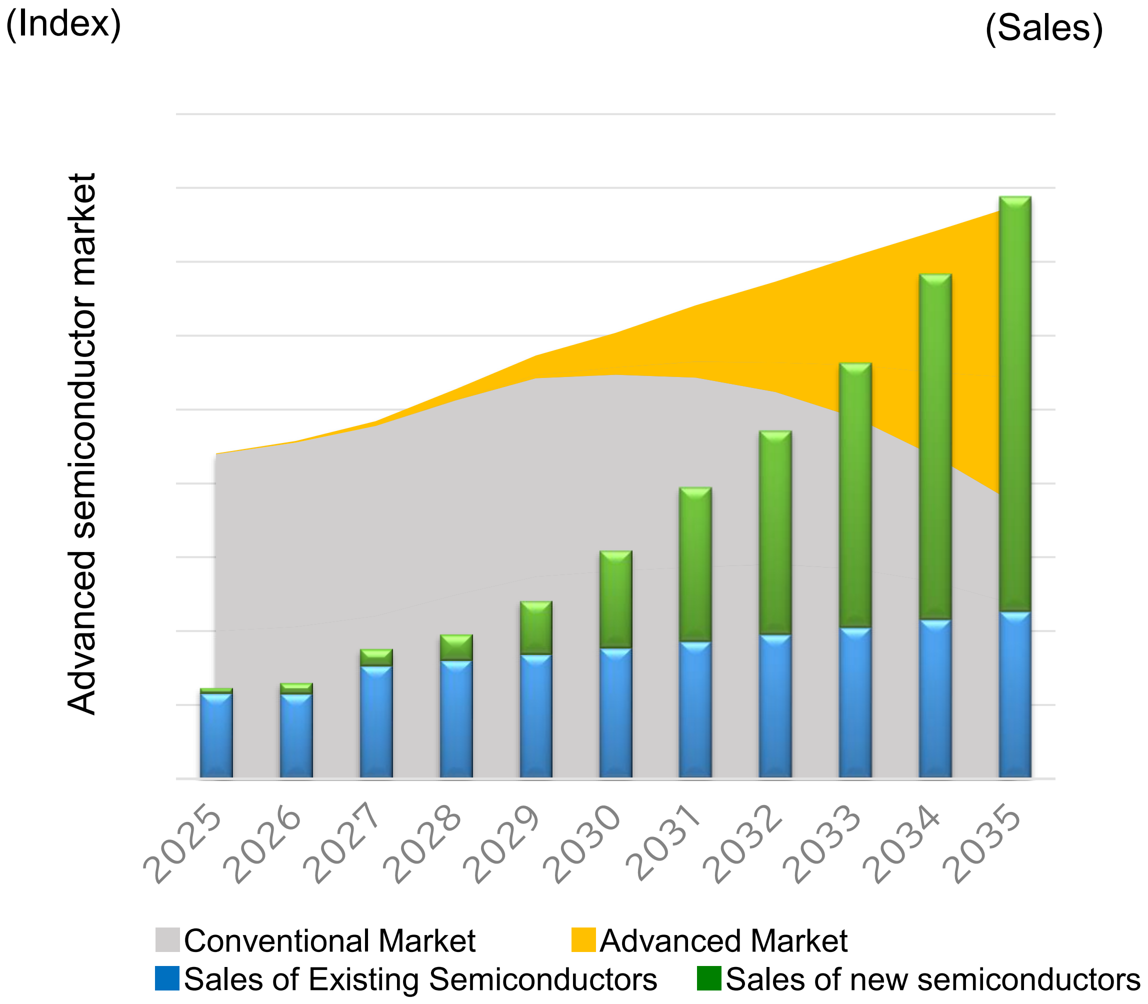
Legacy semiconductors
General-purpose semiconductors using simpler processes
Home appliances, industrial equipment, analog ICs

- Precision cleaning agents
- Stripping agents, and others

Back-end process (packaging)
Protection and interconnection of semiconductor chips

- Precision cleaning agents
- Stripping agents, and others

Business targets:
CAGR > 30%, Operating margin > 40%



04-03

H1 Awards Highlights

Logistics and Marketing
(Logistics reform and new marketing)

Kao’s Leading Role in Logistics Transformation

- Received the Grand Prize, the highest honor at Nikkei Business’s “CLO of the Year 2026” awards
- Since January 2026, Kao has operated a more autonomous Logistics Division under a newly appointed Chief Logistics Officer (CLO). The award recognized company-wide reforms that position logistics as a key management priority, including site reorganization and a cross-industry collaborative delivery consortium.

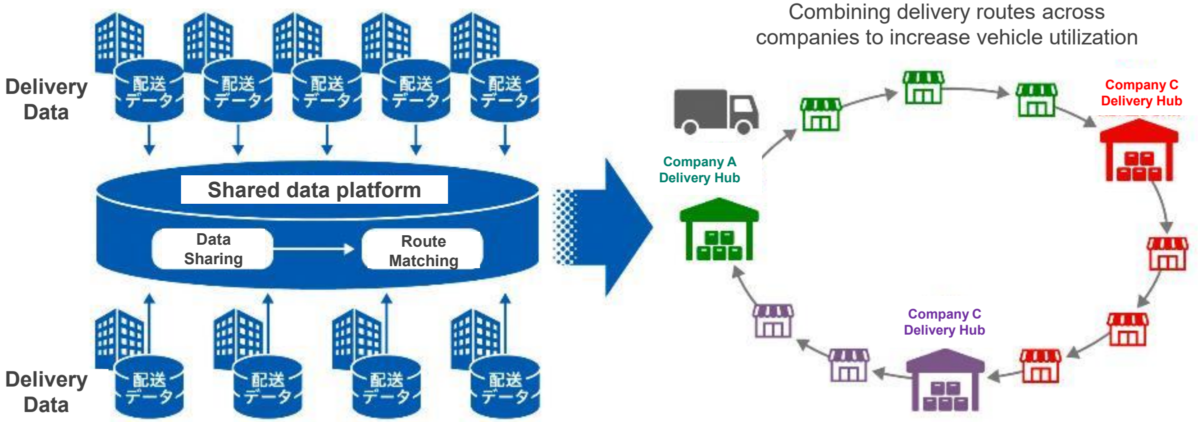
“CLO of the Year 2026” hosted by Nikkei Business

Dai Kimura, Deputy Vice-Minister for Policy Coordination, Ministry of Land, Infrastructure, Transport and Tourism, responsible for the Logistics and Road Transport Bureau (left)
Shinsuke Mori, Executive Officer; Senior Vice President, Logistics, Global; Chief Logistics Officer, Kao Corporation (right) Photo: Masato Tsuzuki

Launched “CODE,” a joint delivery consortium comprising nine shipper companies across the food, daily necessities, pharmaceutical and publishing industries.

Consolidating delivery data from participating companies on a shared data platform

Improving delivery efficiency through route matching
Combining delivery routes across companies to increase vehicle utilization



Lead companies:
Kao Corporation, Mitsubishi Shokuhin Co., Ltd.,

Participating companies:
Asahi Shokuhin Co., Ltd., Arata Corporation, Tohan Corporation, Nippon Shuppan Hanbai Inc., PALTAC Corporation, Mitsui & Co. Retail Group Ltd., Mediceo Corporation

Recognition with a Prestigious Global Marketing Award

Home Care “Silent Cleaning Campaign”: a fresh perspective and bold new challenge

Content that built brand engagement, delivered business results, and earned global recognition

A full-scale horror game built around cleaning

+

Organic reach amplified by gameplay videos

Rapid social media reach from launch ▶ Total number of views for gameplay videos **Approx. 5 million views**

Reinforced Kao’s positioning as the go-to brand for cleaning among consumers in their 20s and 30s

+10 pts*1

Sell-out sales increased after launch

Approx. 1.5 times*2

Recognized at CANNES LIONS 2026 as a New Model for Marketing

Kao’s First-Ever Cannes Lions Award!

*1 Kao survey, August 2025. Percentage of respondents associating Kao with cleaning, comparing 32 respondents aware of the “Silent Cleaning” campaign with 187 respondents not aware of it.
*2 INTAGE SRI+: Bath Cleaner Magiclean EX Power Water Stain Spray. Comparison of sales value before launch (May 5–August 3, 2025) and after launch (August 4–November 2, 2025).

04-04

Shareholder Benefits

Expand Shareholder Benefits Following the Share Split

Dividends at the Core: Enhancing Corporate Value through Long-Term Shareholder Support

- Build a broader base of long-term shareholders by strengthening shareholder loyalty through the shareholder benefits program.
- Aim to enhance corporate value together with shareholders who value our products and support our approach.

A shareholder benefits program for those who share the values of "*Yoki-Monozukuri" and support the company over the long term**

01 | FOUNDATION

Fundamental return policy

Dividends at the core

Maintain stable and continuous dividends as the foundation of shareholder returns, while conducting share buybacks flexibly.

RETURN

02 | NEW TOUCHPOINT

Trust built through products

Shareholder benefits

Experience *Yoki-Monozukuri* and the commitment behind it

Applicable to shareholders as of the end of December 2026

EXPERIENCE

03 | OUTCOME

Stable shareholder base

Long-term support

Broaden the shareholder base through increased shareholder loyalty

RELATIONSHIP

* In Japanese, "yoki" means good or excellent, and "monozukuri" means making or craftsmanship. For us, *Yoki-Monozukuri* means an excellent creation process that is good for everyone involved and enriches the lives of consumers and customers.

FY2026 Main Upcoming Events (Scheduled)

September 17 (Thursday)
Briefing on Research and Development Strategy

05

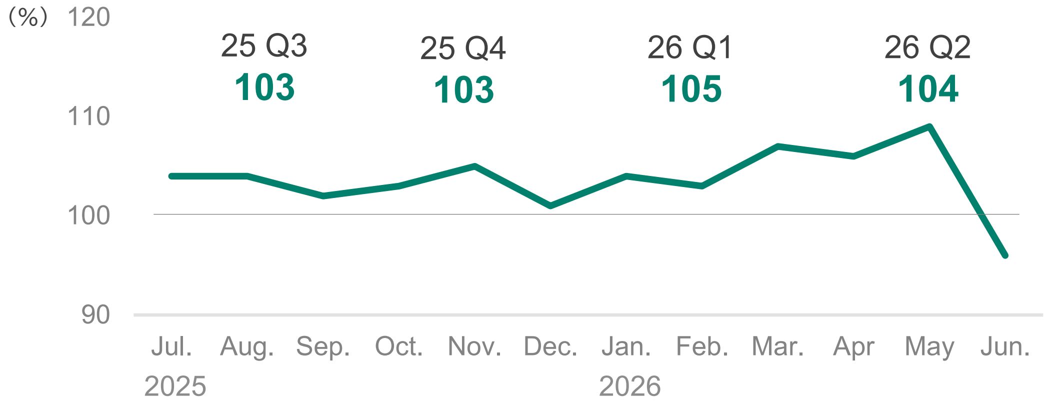
Appendix

Consumer Products Market in Japan

Kao

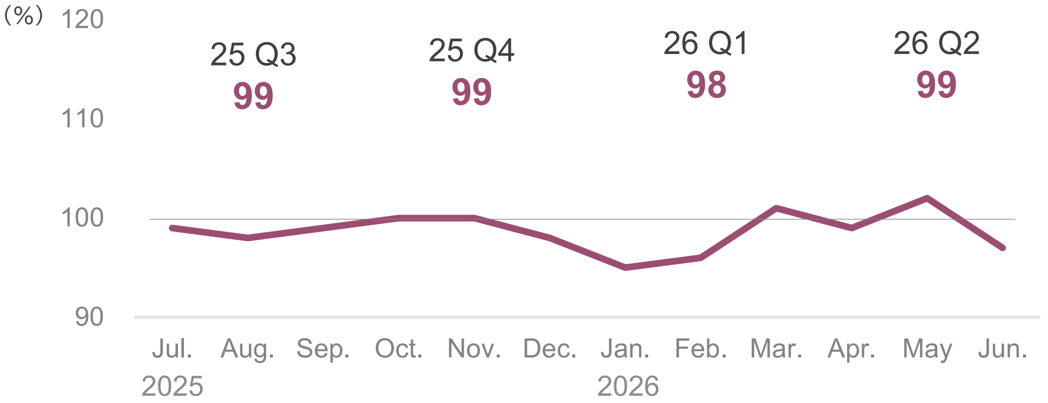
Growth of H&PC Market

87 categories, SRI+[1]
Market growth rate in value terms



Growth of Cosmetics Market

26 categories, New SLI[2]
Market growth rate in value terms



Market Growth Rates of Major Categories

vs. previous year	Apr.	May	Jun.	Q2
H&PC total	**106**	**109**	**96**	**104**
Laundry detergents	113	115	97	108
Fabric softeners	105	108	95	102
Bath cleaning products	105	102	94	100
Sanitary napkins	107	106	98	104
Baby diapers	96	99	97	97
Sunscreens	101	132	76	102
Hand soaps	107	106	97	103
Hand sanitizers	96	100	93	96
Bath additives	98	100	99	99

Market Growth Rates of Major Categories

(Source: INTAGE Inc.)

vs. previous year	Apr.	May	Jun.	Q2
Cosmetics total	**99**	**102**	**97**	**99**
Skin care products	98	101	97	99
Facial cleansers/ Makeup removers	102	102	103	102
Lotions/emulsions/creams	99	102	100	100
Serums	96	98	83	91
Makeup products	101	98	101	100
Makeup bases	98	98	100	99
Point makeup products	104	97	104	101
Other	106	119	92	105
Sunscreens	102	126	91	106

1. SRI+: Estimates based on POS data from approx. 6,000 retail outlets in Japan
2. New SLI: Estimates based on a panel survey of approx. 40,000 consumers in Japan

Kao's Main Markets outside Japan

Asia

Market growth rate in value terms (% vs. previous year)	China (including e-commerce)				Indonesia				Thailand			
	25 Q3	25 Q4	26 Q1	26 Q2	25 Q3	25 Q4	26 Q1	26 Q2	25 Q3	25 Q4	26 Q1	26 Q2
Baby diapers	-	-	-	-	95	97	96	**92**	78	82	76	**77**
Sanitary napkins and panty liners	103	96	94	**97**	103	105	108	**107**	100	103	102	**103**
Laundry detergents	-	-	-	-	102	102	103	**108**	100	104	102	**110**
Sunscreens	-	-	-	-	-	-	-	-	97	96	99	**106**
House cleaning products	-	-	-	-	-	-	-	-	95	100	97	**99**

Source: NielsenIQ

Americas and Europe

Market growth rate in value terms (% vs. previous year)	U.S.				U.K.				Germany			
	25 Q3	25 Q4	26 Q1	26 Q2	25 Q3	25 Q4	26 Q1	26 Q2	25 Q3	25 Q4	26 Q1	26 Q2
Hair care	105	105	107	**109**	106	105	105	**105**	106	109	107	**103**
Facial care products	107	106	105	**107**	-	-	-	-	-	-	-	-
Sunscreens	105	105	121	**103**	114	120	95	**113**	99	108	105	**108**
Self tanning	107	116	107	**107**	98	101	97	**100**	103	143	116	**130**
Hand and body lotions	106	109	105	**110**	-	-	-	-	-	-	-	-

Source: Circana

H1 Global Consumer Care Business: Results by Geographic Region

Billion yen	Net sales				Operating income			Operating margin		
	FY2025 H1	FY2026 H1	Growth	Like-for-like	FY2025 H1	FY2026 H1	Change	FY2025 H1	FY2026 H1	Change
Japan	399.5	**420.4**	**5.2%**	**5.2%**	41.6	**46.7**	**5.1**	10.4%	**11.1%**	**0.7pts**
Asia	102.9	**115.4**	**12.2%**	**3.6%**	10.7	**15.6**	**4.9**	10.4%	**13.5%**	**3.1pts**
Americas	60.6	**67.4**	**11.2%**	**3.4%**	3.0	**5.8**	**2.8**	4.9%	**8.6%**	**3.7pts**
Europe	42.9	**46.3**	**8.0%**	**(4.4)%**	(0.8)	**(2.4)**	**(1.6)**	(1.7)%	**(5.2)%**	**(3.4)pts**
Outside Japan	206.4	**229.1**	**11.0%**	**1.9%**	12.9	**19.0**	**6.0**	6.3%	**8.3%**	**2.0pts**
GC Business	605.8	**649.5**	**7.2%**	**4.1%**	54.6	**65.7**	**11.1**	9.0%	**10.1%**	**1.1pts**

Net sales growth rates of major companies (Like-for-like %)						
	Kao China:	**9.5%**	Kao Taiwan:	**(1.2)%**	Kao Vietnam:	**14.0%**
	Kao Indonesia:	**4.3%**	Kao Thailand:	**(8.3)%**	Kao Hong Kong:	**4.1%**

Sales by geographic region are classified based on the location of the sales recognized.

IFRS 18 “Presentation and Disclosure in Financial Statements”

- IFRS 18 was early adopted from Q1 FY2026. Due to the reclassification of categories, a portion of foreign exchange gains and losses is reflected in operating income.

Six months ended June 30, 2025 (Millions of yen)

IAS 1		Reclassification	IFRS 18			
Accounts	Amounts		Amounts	Notes	Accounts	
Net sales	809,022	-	809,022		Net sales	Operating
Cost of sales	(497,196)	-	(497,196)		Cost of sales	Operating
Gross profit	311,826	-	311,826		**Gross profit**	Operating
Selling, general and administrative expenses	(243,292)	-	(243,292)		Selling, general and administrative expenses	Operating
Other operating income	8,810	-	8,810		Other operating income	Operating
Other operating expenses	(7,875)	(285)	(8,160)	1	Other operating expenses	Operating
Operating income	69,469	(285)	69,184		**Operating income**	Operating
		1,784	1,784	2	Share of profit in investments accounted for using the equity method	Investing
		(1,373)	(1,373)	1,3	Other investment income and expenses	Investing
		126	69,595		**Income before financing and income taxes**	
Financial income	2,305	1,660	3,965	1,3	Financial income	Financing
Financial expenses	(1,792)	-	(1,792)		Financial expenses	Financing
Share of profit in investments accounted for using the equity method	1,784	(1,784)	-	2		Financing
Income before income taxes	71,766	2	71,768		**Income before income taxes**	
Income taxes	(22,301)	(2)	(22,303)	1	Income taxes	Income taxes
Net income	49,465	-	49,465		**Net income**	

Foreign exchange gains and losses

1. Reclassification of foreign exchange differences：Under IAS 1, foreign exchange differences were presented within financial income. Under IFRS 18, they are classified and presented within the operating, investing, financing, or income taxes categories.
2. Reclassification of share of profit in investments accounted for using the equity method：Under IFRS 18, the share of profit in investments accounted for using the equity method is presented within the investing category.
3. Reclassification of other investment income and expenses：Under IAS 1, interest and dividend income was presented within financial income. Under IFRS 18, it is presented as other investment income and expenses.

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