

Fiscal 2020

From January 1 to December 31, 2020

Kao Corporation

February 3, 2021

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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.

- The Kao Group adopted IFRS 16 “Leases” in the three months ended March 31, 2019
- Numbers in parentheses in charts are negative

Consolidated Financial Results for the Year Ended December 31, 2020

Kenichi Yamauchi

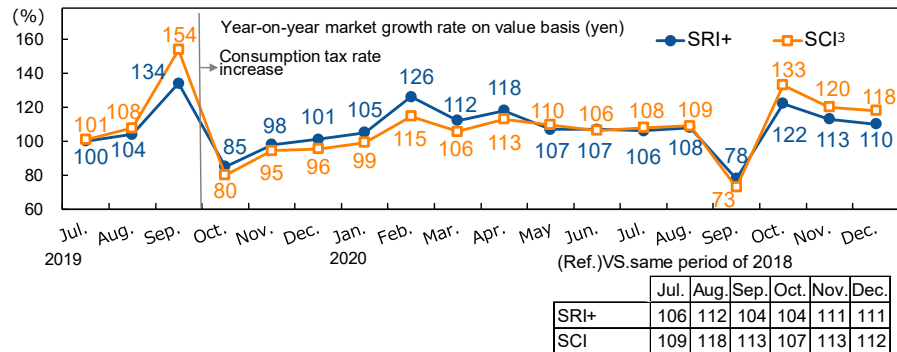
Executive Officer, Senior Vice President, Accounting & Finance

Kao Corporation
February 3, 2021

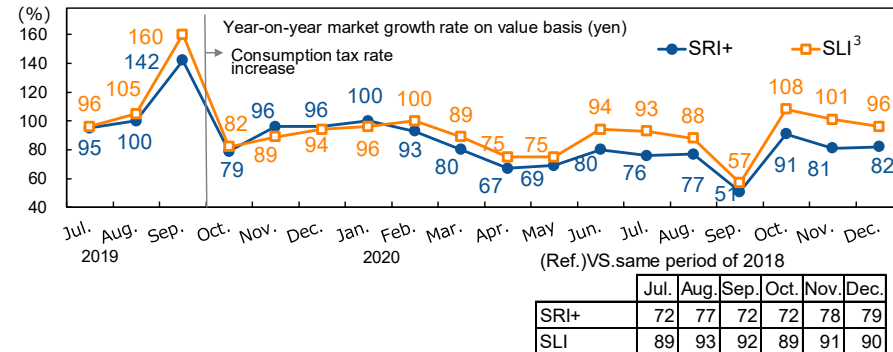
Consumer Products Market in Japan



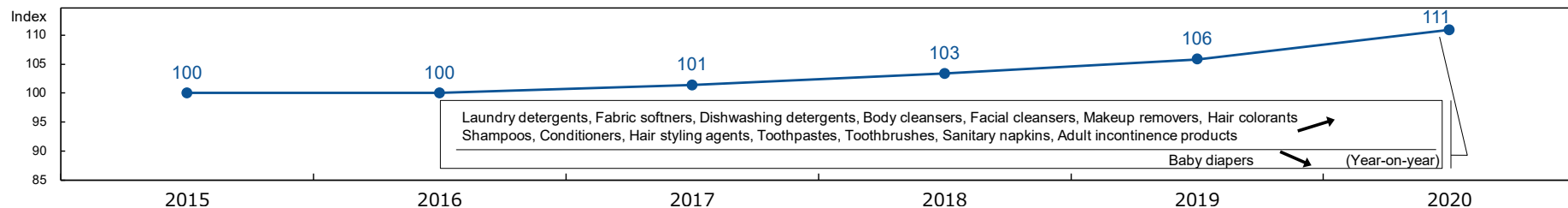
■ Growth of household and personal care market¹



■ Growth of cosmetics market²



■ Consumer purchase price for 15 major household and personal care categories⁴



- 86 major household and personal care product categories
- 26 cosmetics product categories
- SRI+: Estimates based on POS data from approx. 6,000 retail outlets nationwide / SCI: Purchasing data from approx. 50,000 consumer monitors nationwide / SLI: Purchasing data for cosmetics, skin care and hair care products from approx. 40,000 female monitors nationwide
- Index with January to December 2015 as 100 (Figures for 2015 and 2016 are estimated from the ratio of SRI+ to SRI prices)

Highlights of Consolidated Financial Results



Consolidated Operating Results (Year ended December 31)						
(Billion yen)	FY2019	FY2020	Growth %	Change	vs.Forecast	FY2020 Forecast
Net sales	1,502.2	1,382.0	(8.0)	(120.2)	(48.0)	1,430.0
	Effect of currency translation ¹		(0.7)	(10.2)	-	(10.9)
	Impact of change in method of recognizing sales ²		(2.1)	(34.0)	-	(34.0)
	Like-for-like growth excluding above impact		(5.2)	(76.1)	-	(27.4)
Operating income	211.7	175.6	(17.1)	(36.2)	(14.4)	190.0
Operating margin	14.1%	12.7%	-	-	-	13.3%
Income before income taxes	210.6	174.0	(17.4)	(36.7)	(15.0)	189.0
Net income	150.3	128.1	(14.8)	(22.3)	-	-
Net income attributable to owners of the parent	148.2	126.1	(14.9)	(22.1)	(7.9)	134.0
EBITDA (Operating income + Depr. & amort.) ³	277.2	243.9	(12.0)	(33.3)	(15.1)	259.0
ROE	17.6%	14.2%	-	-	-	15.0%
Basic earnings per share (yen)	306.70	262.29	(14.5)	(44.41)	(16.33)	278.62
Cash dividends per share (yen)	130.00	140.00	-	+10.00	-	140.00
Cash flow			Adjusted free cash flow ⁴			
			131.2 billion yen			
			Payments of cash dividends ⁵			
			66.2 billion yen			

1. Exchange rates: 106.77 yen/USD, 121.82 yen/Euro, 15.47 yen/Yuan

2. As of the fiscal year ended December 31, 2020, the Company has changed its method of recognizing sales for some transactions from the gross amount to the net amount

3. Excluding depreciation of right-of-use assets

4. Adjusted free cash flow is the sum of net cash flows from operating activities and net cash flows from investing activities less depreciation of right-of-use assets and other expenses

5. Includes payments of cash dividends to non-controlling interests

(Differences from Announced Forecast)

- Although demand for hygiene-related products (hand soap, hand sanitizer, home care products, etc.) increased due to the COVID-19 pandemic, performance of Cosmetics Business and Human Health Care Business was weak, and the Kao Group fell short of its announced forecast.
 - Overall consumption slowed due to the impact of the third wave of COVID-19 infections in Japan.
 - The recovery of the cosmetics market in Japan was delayed beyond expectations.
 - Impact of large-scale lockdowns due to renewed spread of infections in the United States and Europe.

(Billion yen)	FY2020	Difference from Forecast	Announced Forecast
Net sales	1,382.0	(48.0)	1,430.0
Operating income	175.6	(14.4)	190.0

Note: Extra expenses related to COVID-19 (4.5 billion yen) are included.

(Shareholder Returns)

- Resolved to repurchase the Company's shares at a meeting of the Board of Directors held on February 3, 2021.
- Planning cash dividends per share of 140 yen, a year-on-year increase of 10 yen per share, in line with the announced forecast, for the 31st consecutive fiscal year of increase in dividends.

Overview of Consolidated Results



<p>Cosmetics Business</p>	<ul style="list-style-type: none"> ● Share of sales and year-on-year change: eleven global strategy brands (G11) 61% share, 10% decrease; eight regional strategy brands (R8) 23% share, 28% decrease. <p><u>Japan</u></p> <ul style="list-style-type: none"> ● According to SRI+, the cosmetics market contracted 22% year on year because inbound demand disappeared due to the COVID-19 pandemic, opportunities for going out decreased and wearing masks became common practice. Especially impacted was the market for makeup products, which contracted 25% (in particular, lip makeup contracted 51% and base makeup contracted 28%). The impact on the Kao Group's Cosmetics Business was greater because the ratio of makeup products in sales of the Kao Group's Cosmetics Business is approximately 10% higher than that of the market. ● The Kao Group stepped up e-commerce in response to consumers' shift to online purchasing. E-commerce sales increased more than 20% year on year, and according to SLI, the share of sales through the e-commerce channel grew to 10% (7% in 2019). <p><u>Asia</u></p> <ul style="list-style-type: none"> ● Sales in China increased more than 20% year on year. Sales through the e-commerce channel grew approximately 1.5 times to account for about 70% of sales as a result of ramping up initiatives with e-commerce platforms, centered on <i>freeplus</i>, which is hypoallergenic and contains Japanese and Chinese botanical extracts, and <i>Curél</i>, a derma care brand. ● For countries and regions in Asia other than China, which were substantially impacted by a decline in inbound demand, sales slumped, decreasing more than 20% year on year. <p><u>Americas and Europe</u></p> <ul style="list-style-type: none"> ● <i>Molton Brown</i> promptly expedited its shift to e-commerce to cover the impact of mandated temporary store closures due to lockdowns. E-commerce share of sales increased from 21% in the previous year to 46%. This limited the impact on sales to a 7% decrease for the year.
<p>Skin Care and Hair Care Business</p>	<ul style="list-style-type: none"> ● Skin care sales increased 10% year on year. In Japan, the market for hand soap and hand sanitizer expanded due to the pandemic and the Kao Group expanded its production capacity accordingly. As a result, sales and market share increased substantially. (Sales of hand soap increased 3 times and market share increased 6 points.) ● Hair care sales decreased in the high single digits year on year. Sales of the business for hair salons in the Americas and Europe decreased in the 14-16% range from the impact of mandated temporary closures of customers' salons due to lockdowns.

Note: Sales growth rates exclude the effect of currency translation and changes in the method for recognizing sales.

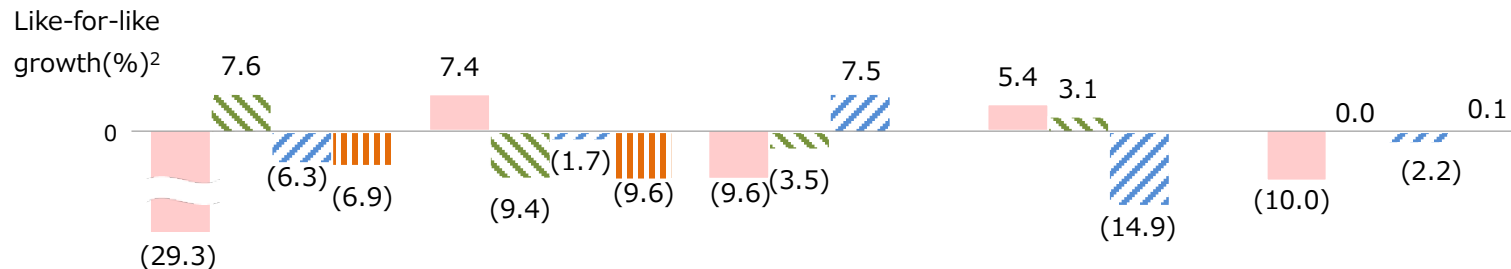
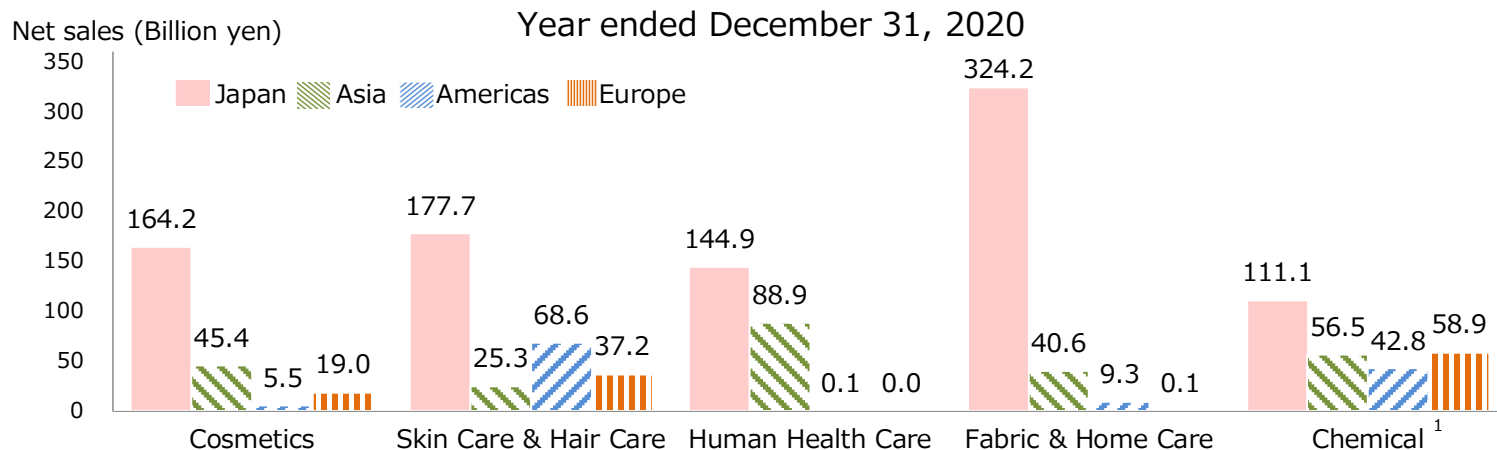
Overview of Consolidated Results



Human Health Care Business	<p><u>Sanitary Napkins</u></p> <ul style="list-style-type: none">● Global sales increased in the low single digits year on year.● Sales in Japan remained basically unchanged from the previous year in a fluctuating market, with special demand but also fewer occasions for use because people voluntarily refrained from going outside.● Sales in China increased in the 14-16% range year on year. Sales were strong from stepping up initiatives with e-commerce platforms. <p><u>Baby Diapers</u></p> <ul style="list-style-type: none">● Global sales decreased in the 14-16% range year on year.● Sales in Indonesia remained strong (11-13% range increase year on year) but sales in China and Japan both decreased around 20% due to the disappearance of demand for resale to the Chinese market and to intense competition.
Fabric and Home Care Business	<ul style="list-style-type: none">● Fabric care sales were flat year on year. Sales and market share of laundry detergents grew due to good performance by improved <i>Attack ZERO</i> and new <i>Attack 3X</i>.● Home care sales increased in the 11-13% range year on year. Hygiene-related products such as dishwashing detergent and household detergent performed strongly in Japan and Asia due to increased demand resulting from the pandemic.● Sales of commercial-use products increased 10% year on year. The Kao Group supplied products and services to medical institutions, nursing facilities and other sites where they were required.
Chemical Business	<ul style="list-style-type: none">● Sales of fat and oil derivative products for disinfection and cleaning were firm.● Sales of toner and toner binder decreased due to the spread of telework worldwide.

Note: Sales growth rates exclude the effect of currency translation.

Consolidated Net Sales by Segment/Geographic Region



1. Net sales of the Chemical Business include intersegment transactions

2. Excluding the effect of currency translation

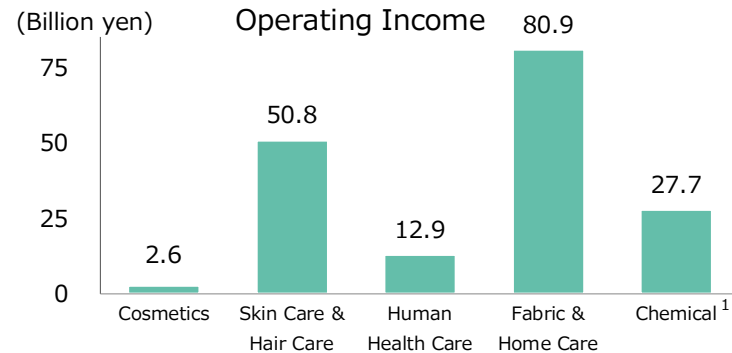
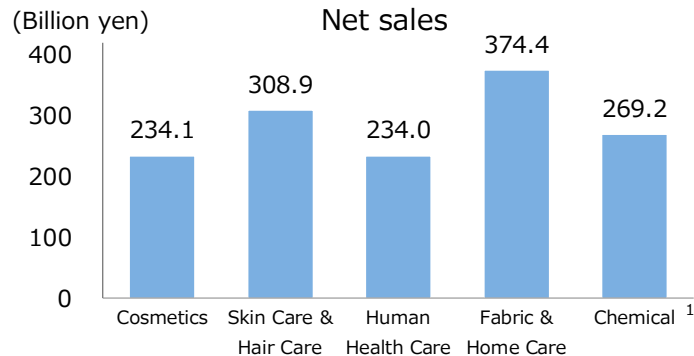
Also excluding the effect of the change in the Company's method of recognizing sales for some transactions for the Skin Care and Hair Care Business the gross amount to the net amount as of the fiscal year ended December 31, 2020

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

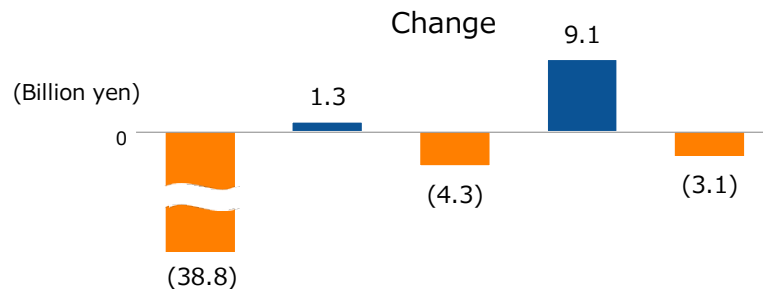
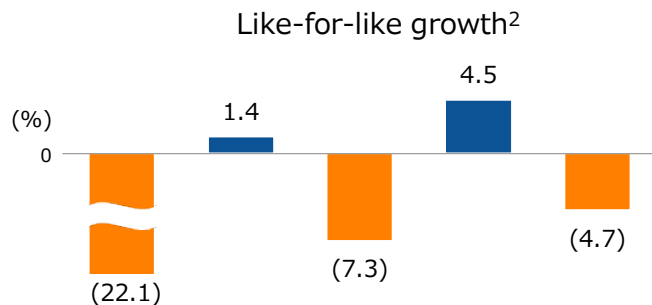
Consolidated Results by Segment



Year ended December 31, 2020



Operating margin (%)	1.1	16.5	5.5	21.6	10.3
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1. Net sales and operating income of the Chemical Business include intersegment transactions

2. Excluding the effect of currency translation

Also excluding the effect of the change in the Company's method of recognizing sales for some transactions for the Skin Care and Hair Care Business from the gross amount to the net amount as of the fiscal year ended December 31, 2020

Consumer Products Business



Year ended December 31								
(Billion yen)	Net sales				Operating income			Operating margin %
	FY2019	FY2020	Growth %	Like-for-like % ¹	FY2019	FY2020	Change	FY2019 FY2020
Japan ²	899.6	811.0	(9.9)	(6.3)	141.1	108.7	(32.4)	15.7 13.4
Asia	206.3	200.3	(2.9)	(0.7)	28.2	29.3	1.2	13.6 14.7
Americas	88.8	83.6	(5.9)	(3.7)	6.8	7.9	1.1	7.6 9.4
Europe	62.2	56.4	(9.3)	(8.8)	3.8	1.3	(2.6)	6.2 2.2
Consumer Products Business	1,257.0	1,151.3	(8.4)	(5.3)	179.9	147.2	(32.7)	14.3 12.8

Net sales growth rates of major companies (Like-for-like % ¹)	Kao China: 5%	Kao Taiwan: (7)%	Kao Vietnam: (12)%
	Kao Indonesia: 5%	Kao Thailand: (6)%	Kao Hong Kong: (17)%

1. Excluding the effect of currency translation and changes in method of recognizing sales

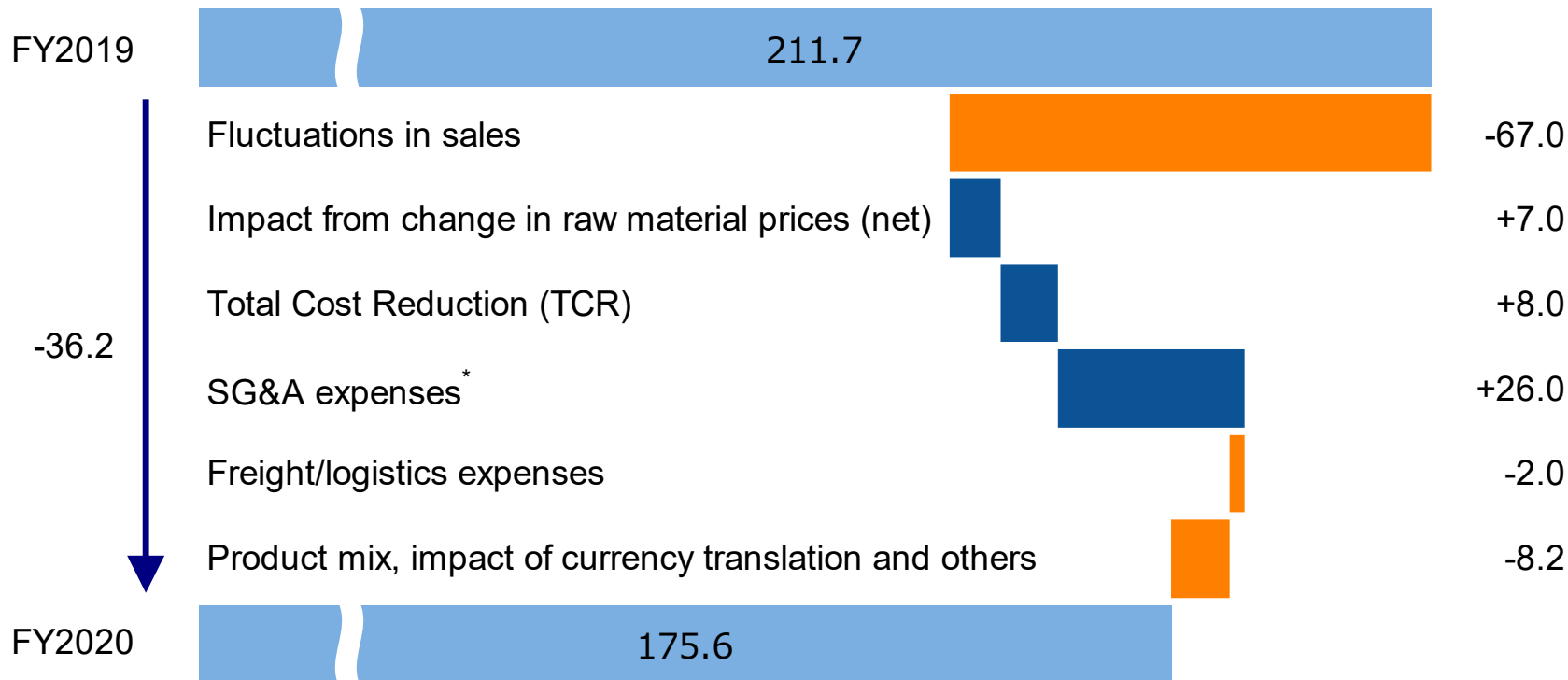
2. As of the fiscal year ended December 31, 2020, the Company has changed its method of recognizing sales for some transactions from the gross amount to the net amount

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

Analysis of Change in Consolidated Operating Income

(Billion yen)

Year ended December 31



* Excluding the effect of currency translation

Major Assumptions for FY2021 Forecast

Business Environment Assumptions	
Consumer Products Market	<ul style="list-style-type: none"> It is assumed that the COVID-19 pandemic will gradually subside, but the future remains uncertain. Japan: Wearing of masks as a common practice will continue, and teleworking will become firmly established. Recovery of inbound demand will be limited due to immigration restrictions. Demand for hygiene-related products will be strong due to ongoing heightened awareness of hygiene. Asia: Except for the Chinese market, full-scale recovery of economic activity is expected to take time. Americas and Europe: No large-scale lockdowns are assumed, but the future remains uncertain.
Chemical Market	<ul style="list-style-type: none"> Automobile-related and other target industries will gradually recover. Demand for disinfection and sterilization-related products will be high. Demand will decrease for printing-related products as telework becomes firmly established.

■ Net sales			Growth
		1,430.0 billion yen	+3.5%
	Effect of currency translation	(7.3) billion yen	(0.5)%
	Sales growth excluding effect of currency translation	55.3 billion yen	+4.0%
Estimated impact on income			
■ Impact from change in raw material prices	Gross impact		(5.0) billion yen
	Net impact		(2.0) billion yen
■ Total Cost Reduction (TCR) activities			+6.0 billion yen
■ Capital expenditures/depreciation and amortization	Capital expenditures ¹		90.0 billion yen
	Depreciation and amortization ²		72.0 billion yen
■ Exchange rate assumptions: 104 yen/USD, 125 yen/Euro, 16 yen/Yuan			

1. Excluding right-of-use assets

2. Excluding depreciation of right-of-use assets

Consolidated Operating Results Forecast for FY2021



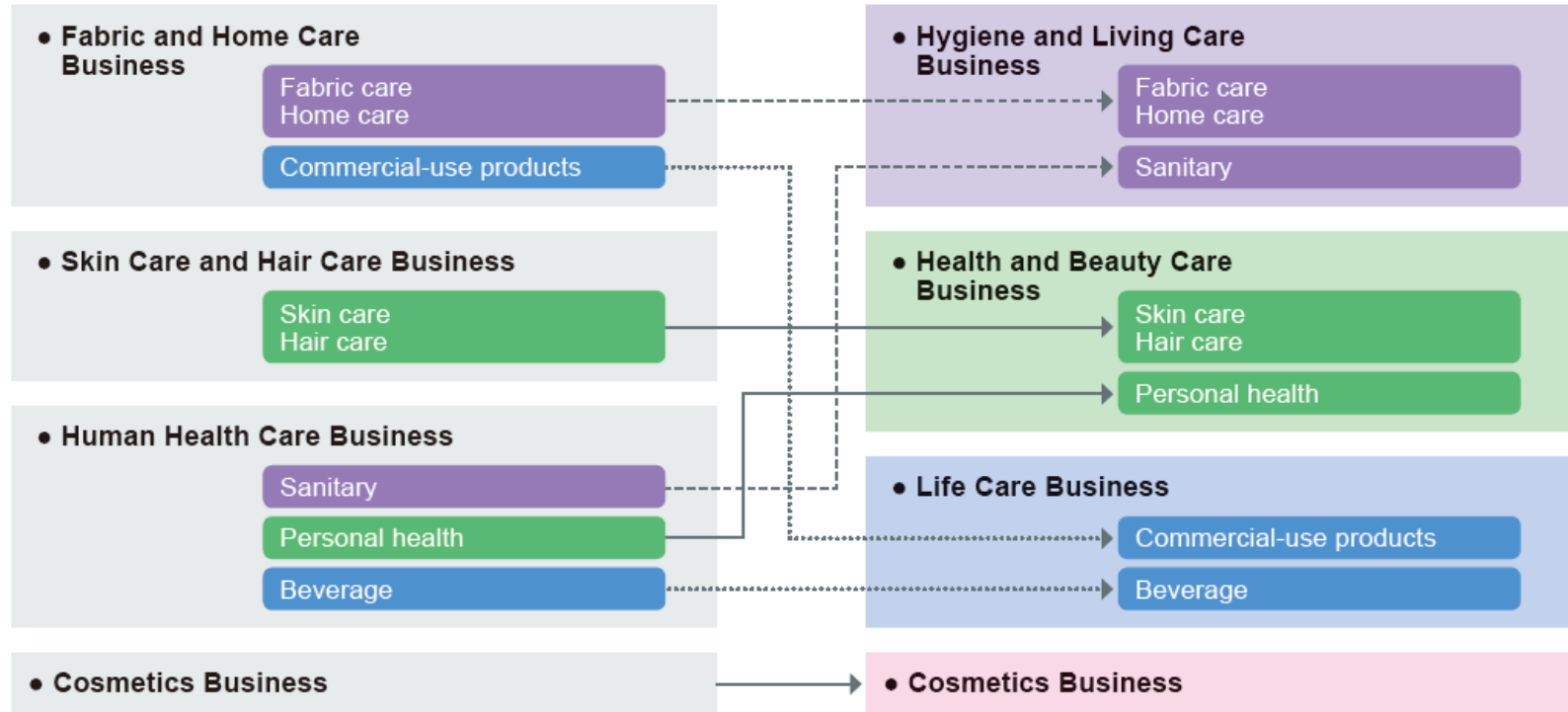
Fiscal year (January 1 to December 31)					
(Billion yen)	FY2020		FY2021 (Forecast)	Growth %	Change
		Growth %			
Net sales	1,382.0	(8.0)	1,430.0	+3.5	+48.0
			Effect of currency translation ¹	(0.5)	(7.3)
	Sales growth excluding effect of currency translation			+4.0	+55.3
Operating income	175.6	(17.1)	177.0	+0.8	+1.4
Operating margin	12.7%	-	12.4%	-	-
Income before income taxes	174.0	(17.4)	177.0	+1.7	+3.0
[% of Net sales]	12.6%	-	12.4%	-	-
Net income attributable to owners of the parent	126.1	(14.9)	127.0	+0.7	+0.9
[% of Net sales]	9.1%	-	8.9%	-	-
EBITDA (Operating income + Depr. & amort.) ²	243.9	(12.0)	249.0	+2.1	+5.1
ROE	14.2%	-	13.7%	-	-
Basic earnings per share (yen)	262.29	(14.5)	266.98	+1.8	+4.69
Cash dividends per share (yen)	140.00	-	144.00	-	+4.00

1. Exchange rate assumptions: 104 yen/USD, 125 yen/Euro, 16 yen/Yuan

2. Excluding depreciation of right-of-use assets

Changes in Business Segment (As of January 2021)

The Consumer Products Business was restructured in January 2021 to conduct business with a focus on the fundamental value people seek. The Kao Group established the Hygiene and Living Care Business, which contributes to more comfortable lifestyles with support for people's daily lives and society, and the Health and Beauty Care Business, which offers care for the entire body to maximize healthy beauty. The Kao Group also established the Life Care Business to promote new businesses that protect human lives by fully utilizing the fundamental technologies that have supported the Kao Group.



Sales Forecast for FY2021



Consolidated Net Sales (Year ending December 31)

FY2021 (Forecast) (Billion yen)	Japan		Consolidated			Consolidated	
		Growth (%)		Like-for-like growth (%) ¹			Like-for-like growth (%) ¹
Hygiene and Living Care Business	377.0	0.6	509.0	1.6	Japan	911.0	2.6
Health and Beauty Care Business	233.0	2.6	372.0	3.6	Asia	268.0	7.1
Life Care Business	51.0	12.5	58.0	11.1	Americas	129.0	5.8
Cosmetics Business	170.0	3.8	249.0	6.7	Europe	122.0	6.2
Consumer Products Business	831.0	2.5	1,188.0	3.7			
Chemical Business ²			283.0	5.6			
Consolidated			1,430.0	4.0	Consolidated	1,430.0	4.0

1. Excluding the effect of currency translation

2. Net sales of the Chemical Business include intersegment transactions

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

Use steadily generated cash flow effectively from an EVA standpoint as shown below toward further growth.

- Investment for future growth (capital expenditures, M&A, etc.)
- Steady and continuous cash dividends (40% payout ratio target)
- Share repurchases and early repayment of interest-bearing debt including borrowings

* Net cash flows from operating activities

Review of the Kao Group Mid-term Plan 2020 “K20” and Future Growth Strategy

Yoshihiro Hasebe
Representative Director, President and Chief Executive Officer

Kao Corporation
February 3, 2021

Achievements and Issues of the Kao Group Mid-term Plan 2020 “K20”

	Achievements of K20	Issues
Kao	1. Commitment to fostering a distinctive corporate image	Cultivation of a unique global presence
	<ul style="list-style-type: none"> ✓ Enhanced the corporate image (ESG, technologies, China) ✓ High evaluations from external organizations (Women's empowerment, environment, products, research) 	<ul style="list-style-type: none"> ● Establishment of both social contribution and financial growth through ESG management
Business	2. Commitment to profitable growth	Necessity of strategic business reform
	<ul style="list-style-type: none"> ● Continue to set new record highs for profits (Not achieved) ● Aim for like-for-like¹ net sales CAGR² of +5%, operating margin of 15% (Not achieved) ✓ Three 100 billion yen brands: <i>Merries</i> baby diapers, <i>Attack</i> laundry detergents, <i>Bioré</i> skin care products (Achieved) ✓ Growth of business in Asia (China, Indonesia) ✓ Improved profitability of Chemical Business 	<ul style="list-style-type: none"> ● Cosmetic Business (Japan) ● Business in Americas and Europe (Business for hair salons) ● <i>Merries</i> business (China, Japan) ● Insufficient reinforcement of bedrock businesses ● Delay in addressing digitalization/e-commerce ● Lack of a spirit of challenge for new business investment
Stakeholders	3. Commitment to returns to stakeholders	Limited productivity from activities using conventional frameworks
	<ul style="list-style-type: none"> ✓ Shareholders: Continuous cash dividend increases (40% payout ratio target) ✓ Employees: Continuous improvement in compensation, benefits and health support ✓ Customers: Maximization of win-win relationships ✓ Society: Advanced measures to address social issues 	<ul style="list-style-type: none"> ● Limitations of KPI performance-based evaluation ● Insufficient promotion of global/external talent ● Insufficient speed due to principle of self-sufficiency

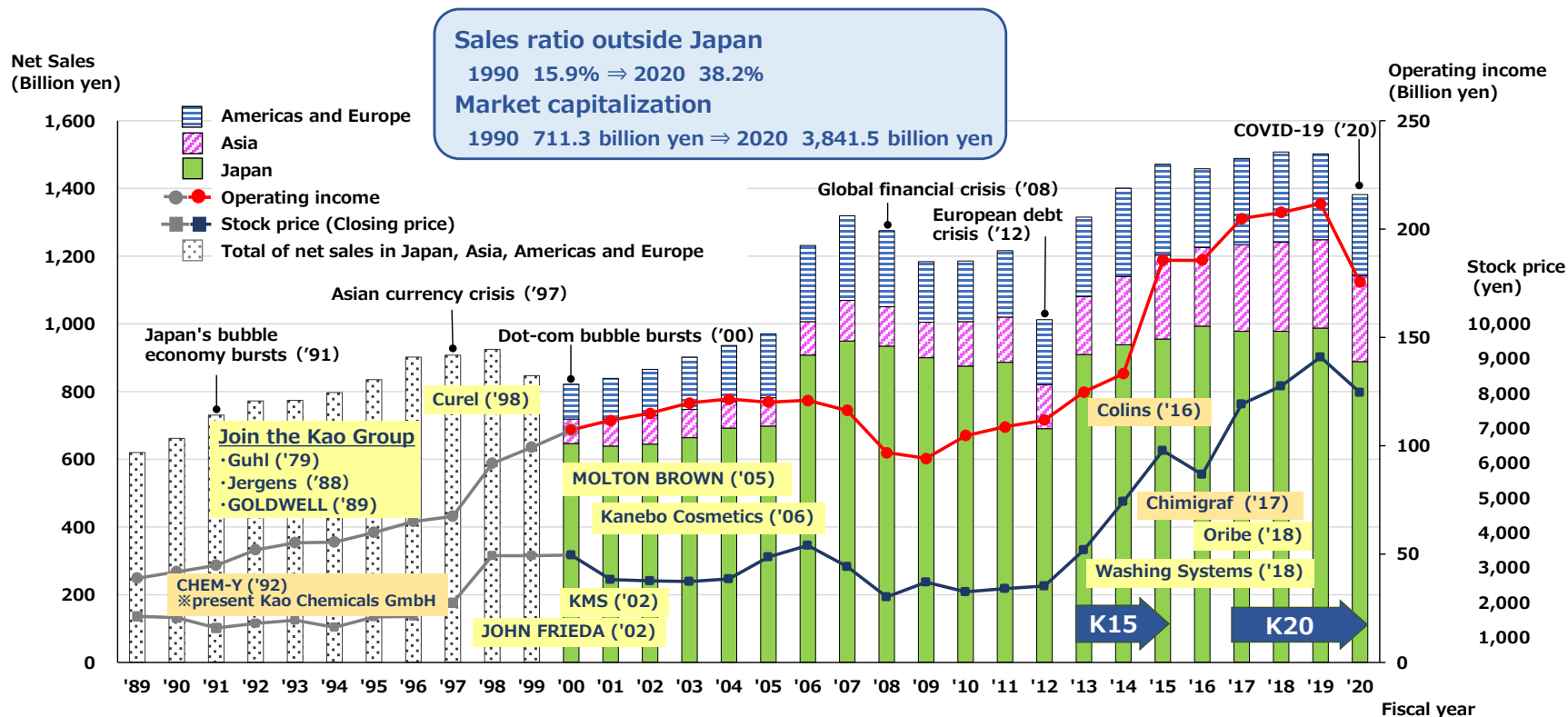
1. Excluding the effect of currency translation, change of sales system, etc.

2. CAGR: Compound annual growth rate.

Policies and Measures of the Kao Group Mid-term Plan 2020 “K20”

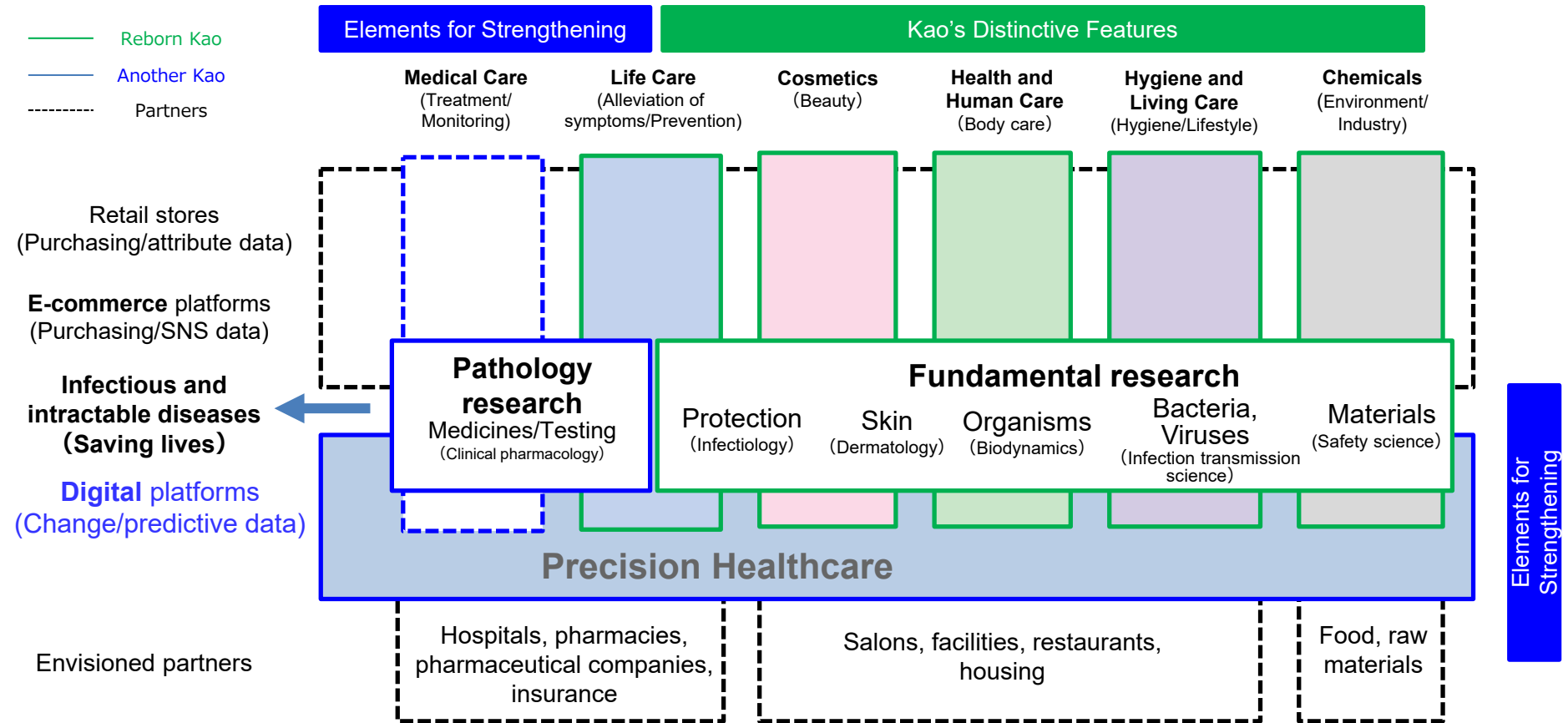
	K25 Policies	Issues
Kao	1. Become an essential company in a sustainable world	Cultivation of a unique global presence
	<ul style="list-style-type: none"> Take leadership in a self-sufficient, sustainable society ESG Investment = Reflection of future earnings 	<ul style="list-style-type: none"> Establishment of both social contribution and financial growth through ESG management
Business	2. Transform to build robust business through investment	Necessity of strategic business reform
	<ul style="list-style-type: none"> Create Another Kao (New digital business model) Expand precision healthcare business using core essential technologies Reinforce current Kao (Invest strategically and clearly) Invest in outstanding products and expand business Cosmetics, Sanitary business: Next Innovation ★ Shared core value: Resolving compelling issues to save lives 	<ul style="list-style-type: none"> Cosmetic Business (Japan) Business in Americas and Europe (Business for hair salons) Merries business (China, Japan) Insufficient reinforcement of bedrock businesses Delay in addressing digitalization/e-commerce Lack of a spirit of challenge for new business investment
Stakeholders	3. Maximize employee vitality	Limited productivity from activities using conventional frameworks
	<ul style="list-style-type: none"> Double the productivity of our business activities <ul style="list-style-type: none"> Make challenges visible and pursue open innovation Active promotion of talent from outside Kao and doubling the results of collaboration Reform to become “digital Kao” 	<ul style="list-style-type: none"> Limitations of KPI performance-based evaluation Insufficient promotion of global/external talent Insufficient speed due to principle of self-sufficiency

Changes in Consolidated Business Results and Stock Prices



* Due to a change in the fiscal year end, the term of consolidation for the fiscal year ended December 31, 2012 is the nine-month period from April to December for Kao Corporation and its subsidiaries whose fiscal year end was previously March 31 and the twelve-month period from January to December for subsidiaries whose year end was December 31

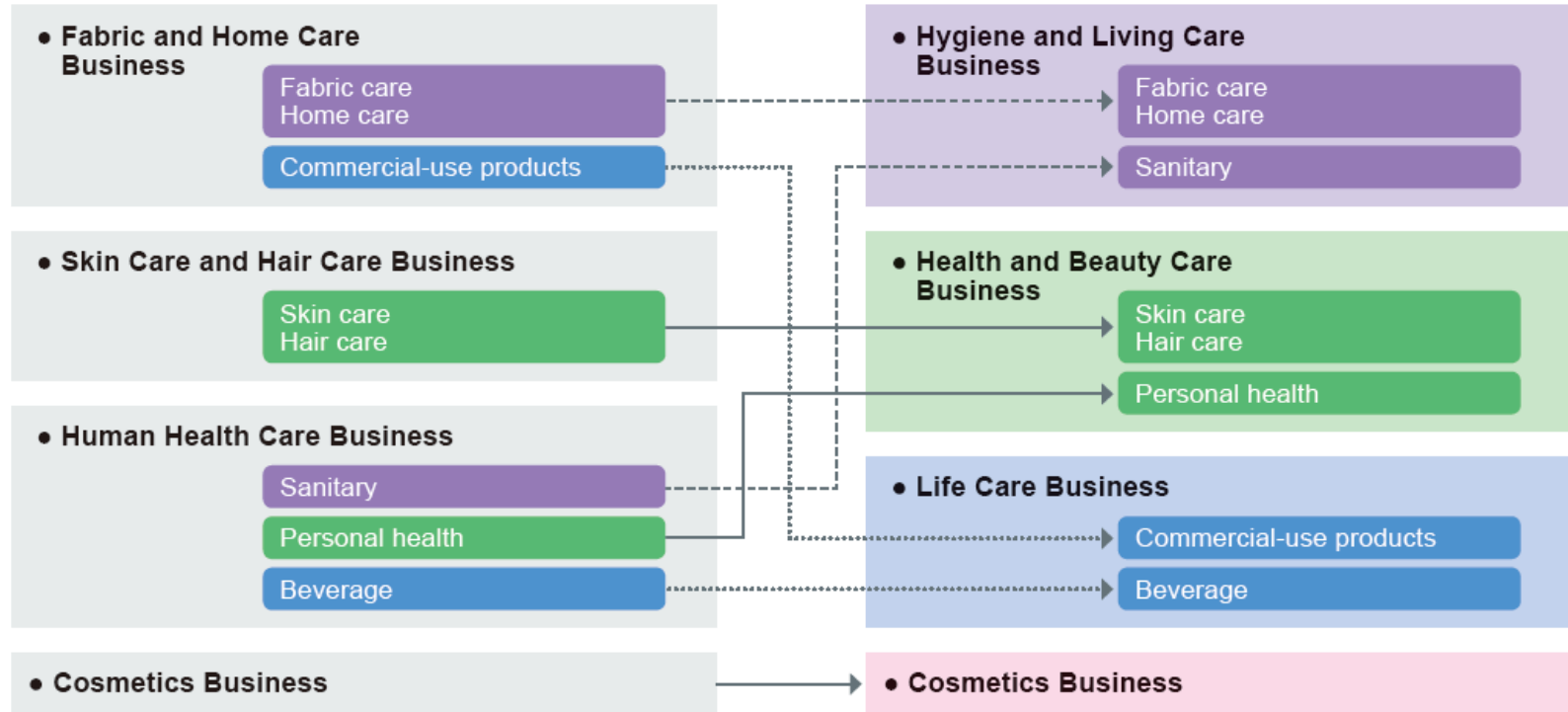
Maximizing Distinctive Features through a Major Business Model Transformation **Kao**



Build a foundation for high profitability and high growth through a business model in which the Kao Group is a leader in both concerns about intractable diseases and the digital age

Changes in Business Segment (As of January 2021)

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Use Digital Technology to Turn Kao's Advantages in Essential Research into "Interactive Value" for the Internet Age

Cosmetics: Sales and profit growth driver

- Core brand strategies
- Chinese market strategy
- Strategy driven by digital
- Fundamental structural reform

Baby diapers: From a former growth driver to a stable generator of sales and profit

- Digital and design disclosure strategies
- New-generation diapers

Consumer products in the Americas and Europe: Expand into the healthcare business and increase profitability

- Develop the Health and Beauty Care Business
- Digital platform strategy

Major ESG Investment* Indices and Evaluations from External Organizations

Kao

ESG indices for which Kao has been selected

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA



FTSE4Good



FTSE Blossom
Japan



2020 CONSTITUENT MSCIジャパン
ESGセレクト・リーダーズ指数

2020 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)



INDICES WORLD 120



Evaluations from/activities with external organizations



TCFD



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



Clean Ocean Material Alliance



*ESG Investment: Investment that takes into consideration Environmental, Social and Governance factors

Initiatives with a Focus on ESG

Initiatives to Prevent the Spread of COVID-19

• Start of Activities for the Protect Kirei¹ Lifestyles Project

- Expanded its production capacity of sanitizer and hand soap for supply to medical institutions and facilities for the elderly, as well as to general households.
- Expanded the lineup of related evidence-based products necessary for preventing infections and communicated useful information, with plans for a global rollout.
- Offered “Multiunit Packages of Kao Products” for healthcare to medical professionals working at designated medical institutions for infectious diseases.

• SARS-Coronavirus-2 Neutralizing Antibodies with Therapeutic Potential against COVID-19 Discovered through Joint Research with Kitasato and Epsilon Molecular Engineering, Inc.

Discovered VHH antibodies that can be expected to inhibit infection by binding to SARS-CoV-2. The antibodies have the potential to be developed as a new therapy and diagnostic tools for COVID-19.

www.kitasato-u.ac.jp/en/albums/abm.php?f=abm00026749.pdf&n=20200507_Press-Release.pdf

Decarbonization

• Promotion of Renewable Sources of Purchased Electricity

As of December 31, 2020, the ratio of renewable energy purchased from suppliers was 53%² in Japan and 38%² globally. Kao has set a goal of purchasing only electricity that has been generated from renewable energy sources, within Japan by 2025 and globally by 2030.

Zero Waste

• Start of Collaboration with Lion Corporation on Recycling Field Testing

Kao Corporation started RecyCreation activities with Lion Corporation. Used refill packs are collected for recycling into new items of value. Kao and Lion intend to collaborate with more municipalities, companies and stores in the future.

www.kao.com/global/en/news/sustainability/2020/20201124-001/

• Start of Verification Testing with Kyoto University of a Used Disposable Diaper Carbonization Recycling System in Saijo City, Ehime Prefecture, Japan

While reducing CO₂ emissions through the conversion of used disposable diapers into carbon material, Kao and Kyoto University aim for social implementation of technologies they develop for conversion into carbon material for air purification, purification of aquatic environments, enhancement of plant cultivation techniques and other purposes.

www.kao.com/global/en/news/sustainability/2021/20210114-001/

Responsible Raw Material Procurement

• Launch of SMILE Program with Apical Group and Asian Agri to Help Oil Palm Smallholders in Indonesia

Launched the SMILE (SMallholder Inclusion for better Livelihood & Empowerment) program to help independent oil palm smallholders in Indonesia improve their yields and acquire international certification for the palm oil they sell, with the aim of building a more sustainable palm oil supply chain.

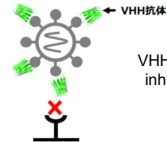
www.kao.com/global/en/news/sustainability/2020/20201014-001/

1. The Japanese word “kirei” means beautiful or clean, not only on the outside but also on the inside. At Kao, Kirei is the value we want to bring to everyday life with our brands, products, and services – now and in the future.

2. Provisional figure



Initiatives to protect kirei lifestyles



VHH antibodies expected to inhibit COVID-19 infection



Solar panels on the Toyohashi Factory in Japan, which purchases 100% of electricity from renewable sources



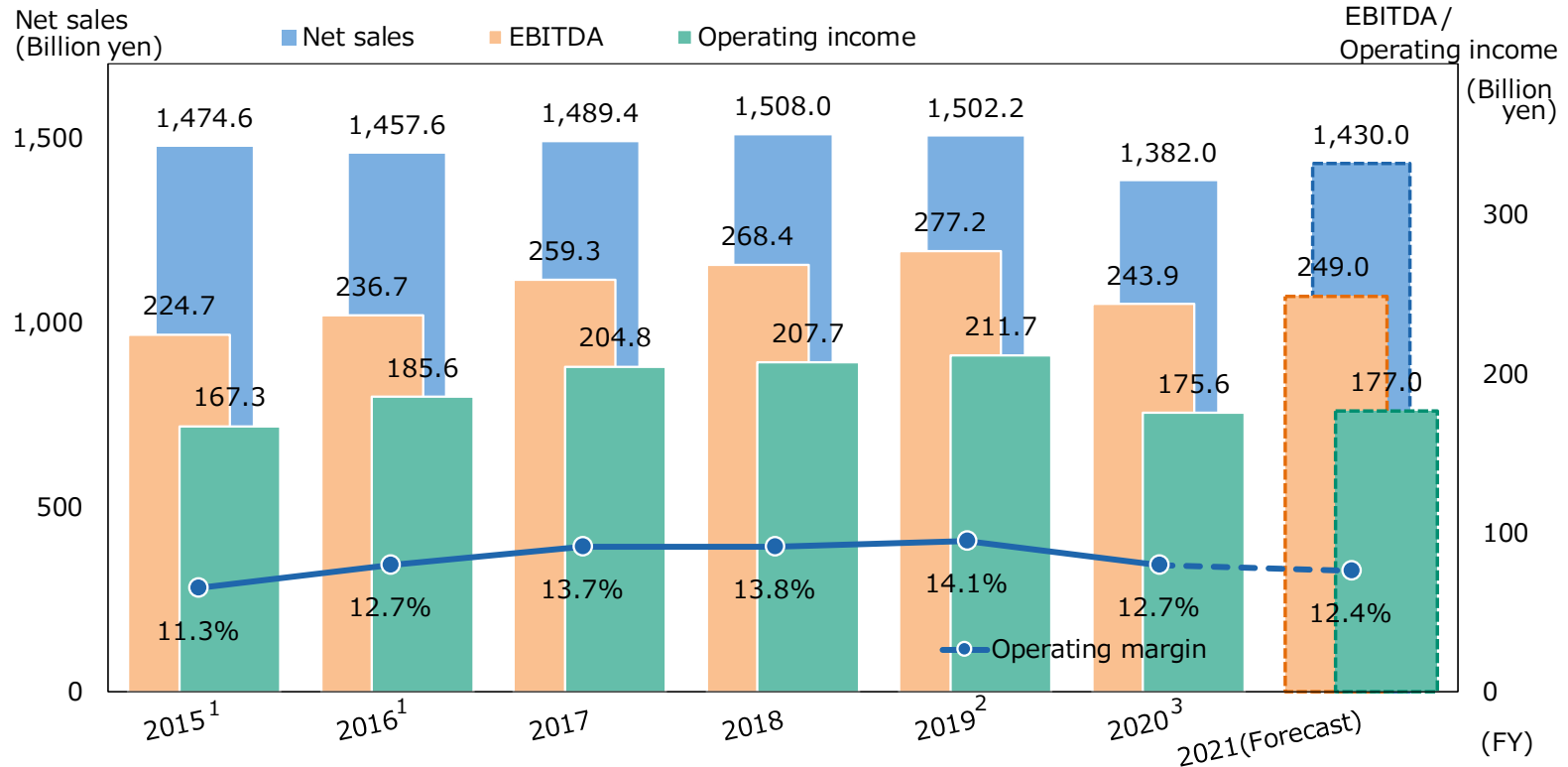
Store collection box for used refill packs (outlined in red)



Oil palm smallholder in Indonesia

Appendices

Consolidated Net Sales/EBITDA/Operating Income



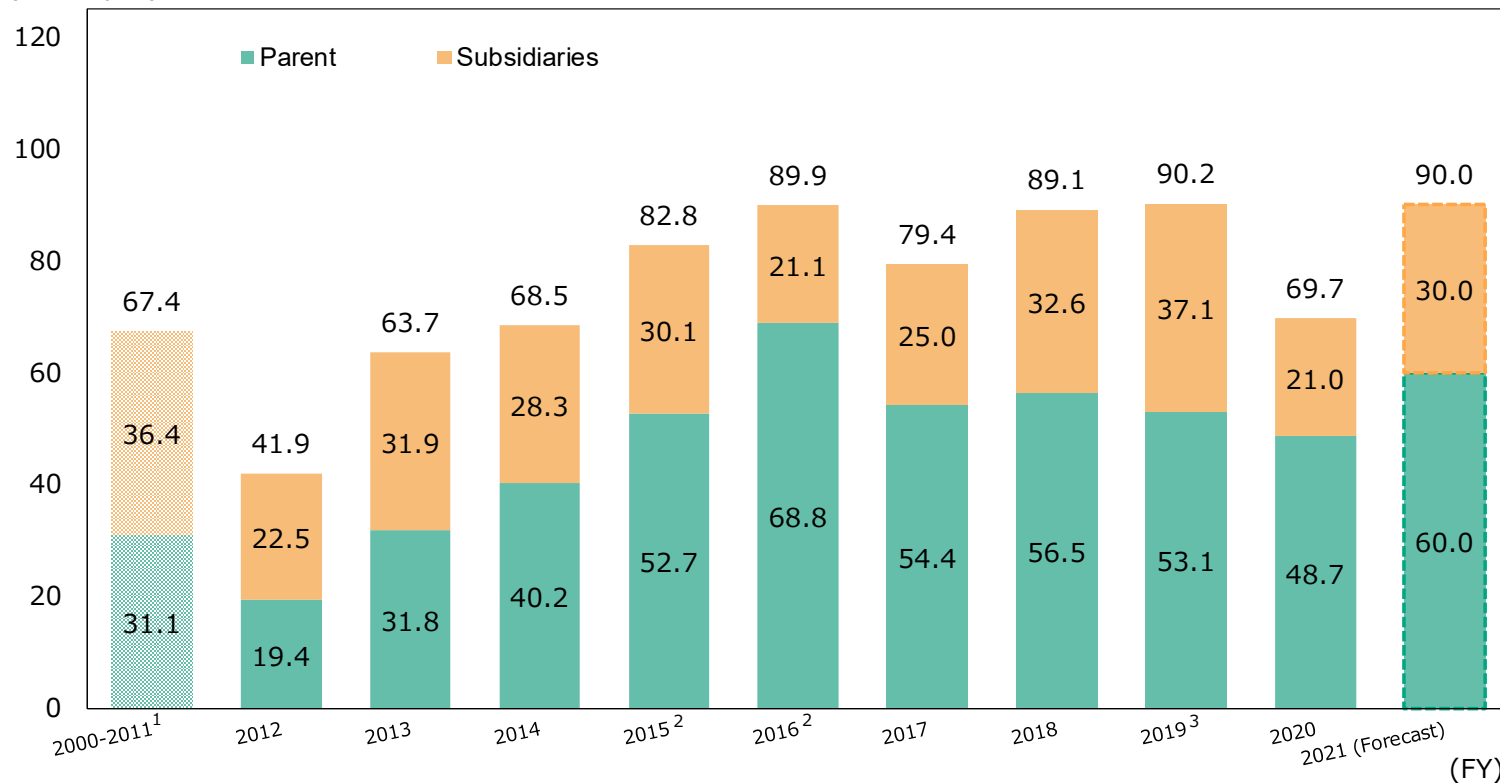
1. IFRS adopted in FY2016. FY2015 figures are calculations based on IFRS

2. As of the fiscal year ended December 31, 2019, EBITDA excludes depreciation of right-of-use assets

3. As of the fiscal year ended December 31, 2020, the Company has changed its method of recognizing sales for some transactions from the gross amount to the net amount

Capital Expenditures

(Billion yen)

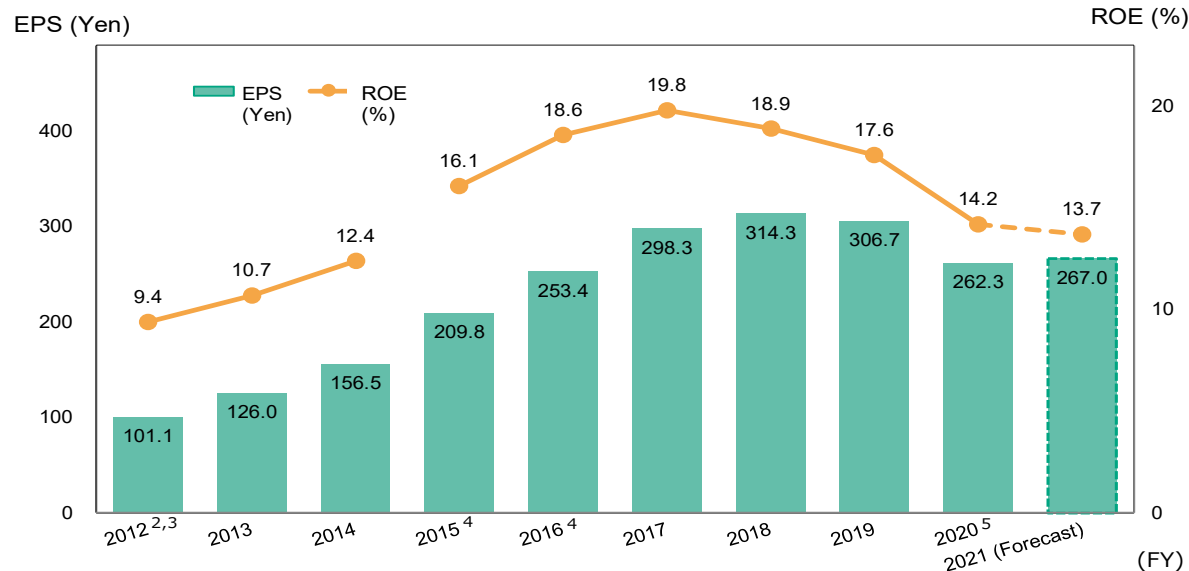


1. Average between FY2000 and FY2011

2. IFRS adopted in FY2016. FY2015 figures are calculations based on IFRS

3. Excluding right-of-use assets as of the fiscal year ended December 31, 2019

ROE & EPS¹



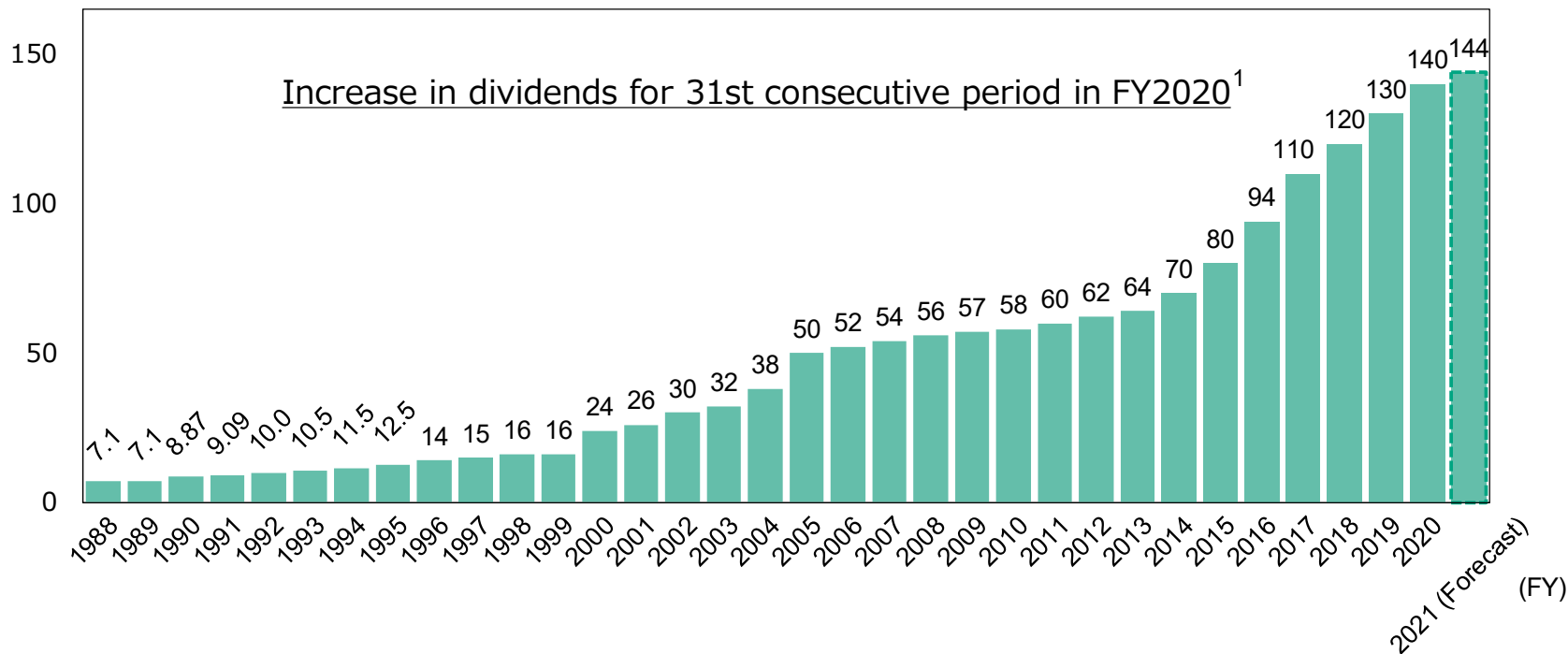
Weighted average number of shares outstanding (Million shares)	521.8	513.9	508.7	501.4	499.4	492.8	489.1	483.3	480.9	475.7
Net income [J-GAAP] / Net income attributable to owners of the parent [IFRS] (Billion yen)	52.8	64.8	79.6	105.2	126.6	147.0	153.7	148.2	126.1	127.0

1. Net income per share [J-GAAP] / Basic earnings per share [IFRS]
2. Fiscal year end changed from March 31 to December 31 in FY2012 (FY2012 results are for the nine-month period from April to December for Group companies whose fiscal year end was previously March 31 and the twelve-month period from January to December for Group companies whose fiscal year end was December 31)
3. ROE of FY2012 is for the transitional period connected with the change in fiscal year end
4. IFRS adopted in FY2016. FY2015 figures are calculations based on IFRS
5. As of the fiscal year ended December 31, 2020, the Company has changed its method of recognizing sales for some transactions from the gross amount to the net amount

Cash Dividends per Share



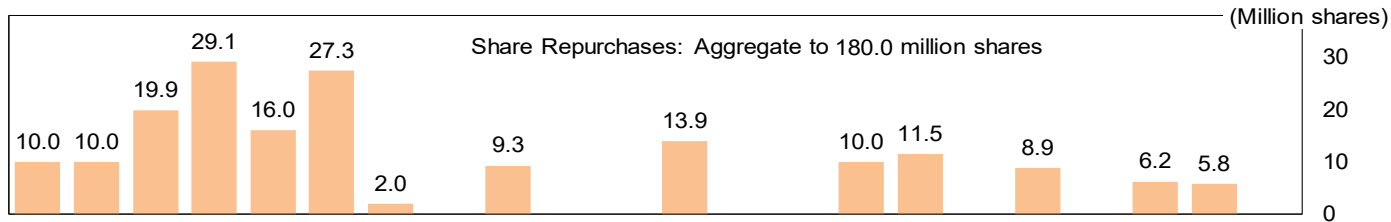
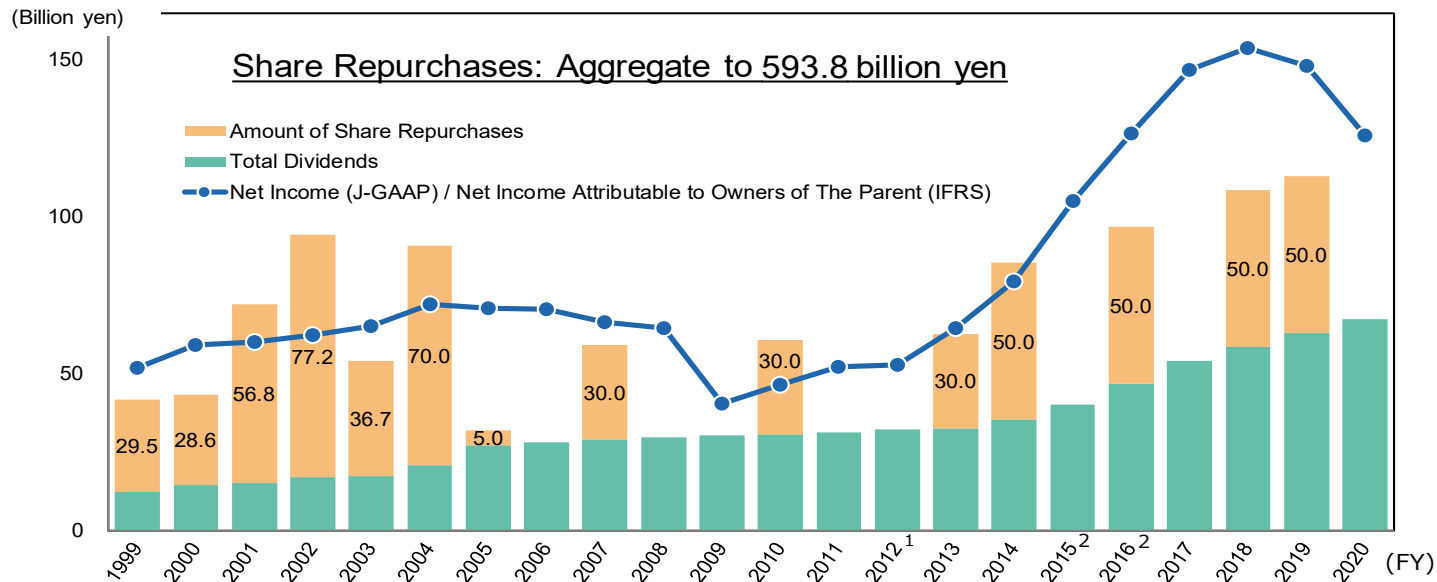
Cash Dividends per Share (Yen)



1. Formally decided at the Annual General Meeting of Shareholders

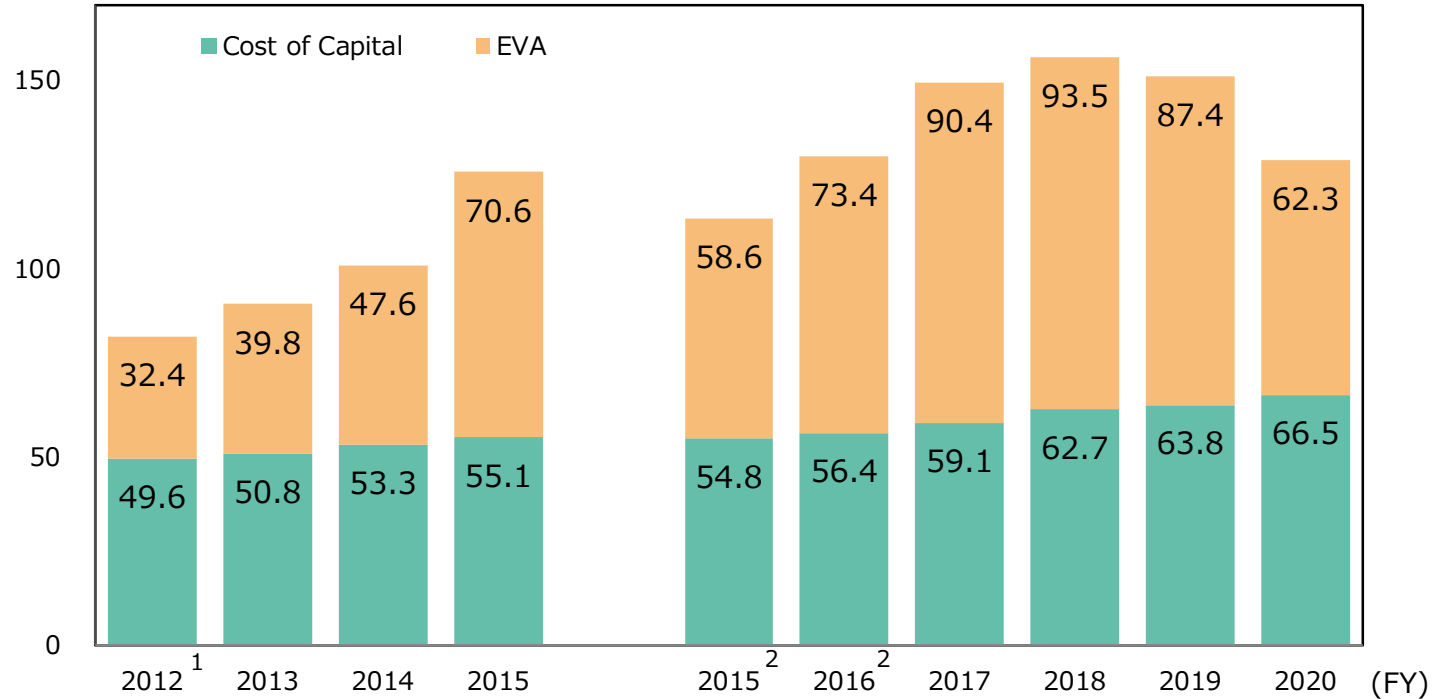
Impacts of share splits are retroactively reflected

Shareholder Returns



1. Fiscal year end changed from March 31 to December 31 in FY2012 (FY2012 results are for the nine-month period from April to December for Group companies whose fiscal year end was previously March 31 and the twelve-month period from January to December for Group companies whose fiscal year end was December 31)
2. IFRS adopted in FY2016. FY2015 figures are calculations based on IFRS

(Billion yen)



1. Fiscal year end changed from March 31 to December 31 in FY2012 (FY2012 results are for the nine-month period from April to December for Group companies whose fiscal year end was previously March 31 and the twelve-month period from January to December for Group companies whose fiscal year end was December 31)

2. IFRS adopted in FY2016. FY2015 figures are calculations based on IFRS

Business Segments and Main Product Categories



Consumer Products Business

Cosmetics Business

Counseling cosmetics, self-selection cosmetics

FY2020	
Net sales:	234.1 billion yen
Like-for-like growth: ¹	(22.1)%
Share of net sales:	16.9 %
Operating margin:	1.1 %



Skin Care and Hair Care Business

Skin care (mass products), hair care (mass products), professional hair care products

FY2020	
Net sales:	308.9 billion yen
Like-for-like growth: ¹	+1.4%
Share of net sales:	22.4%
Operating margin:	16.5%



Human Health Care Business

Sanitary products, bath additives, oral care products, thermal pads, beverages

FY2020	
Net sales:	234.0 billion yen
Like-for-like growth: ¹	(7.3)%
Share of net sales:	16.9 %
Operating margin:	5.5 %



Fabric and Home Care Business

Laundry detergents, fabric treatments, products for kitchen, bath, toilet and living room care, commercial-use products

FY2020	
Net sales:	374.4 billion yen
Like-for-like growth: ¹	+4.5%
Share of net sales:	27.1%
Operating margin:	21.6%



Chemical Business

FY2020	
Net sales:	269.2 billion yen ²
Like-for-like growth: ¹	(4.7)%
Share of net sales: ³	16.7 %
Operating margin:	10.3 %

Oleo chemicals,
performance chemicals,
specialty chemicals



1. Excluding the effect of currency translation

Also excluding the effect of the change in the Company's method of recognizing sales for some transactions for the Skin Care and Hair Care Business from the gross amount to the net amount as of the fiscal year ended December 31, 2020

2. Net sales of the Chemical Business include intersegment transactions

3. Share of net sales is calculated based on sales to customers

Kao