

Basic Idea and Policy Concerning Reduction of an Investment Unit

February 20, 2023

1. Basic idea concerning reduction of an investment unit

Kao Corporation (the “Company”– *Ticker Code:4452*) recognizes that a reduction of an investment unit is one of the useful ways to vitalize the stock market such as increasing investors and improving liquidity of shares.

At present, as the number of individual shareholders is on the rise, the Company considers that our current investment unit is at an appropriate level. Accordingly, the Company will not reduce the investment unit at this time.

2. Policy concerning reduction of an investment unit

As described above, the Company will not reduce its investment unit at this time. However, the Company will continue to consider stock splits, taking into account stock market trends, the Company’s share price, shareholder composition, costs and benefits, and other factors.