Oasis Requests an Extraordinary General Meeting to Protect Kao

(Securities Code: 4452 JT)

Oasis calls for independent investigation into Kao's supply chain risk management and internal controls following independent research documenting serious supply chain risks

*** Whistleblower allegations supplemented by independent research raise serious questions over Kao's supply-chain practices, including exposure to suppliers reportedly linked to deforestation and human rights violations**

***Risks include regulatory non-compliance, loss of market access, supply chain disruption, and damage to K27 growth strategy**

***Management compensation structure creates conflict of interest, highlighting the need for an independent investigation**

*** Oasis asks Kao's Board of Directors and shareholders to support the call for an EGM in the best interests of all stakeholders**

More information available at www.ProtectKao.com

March 5, 2026, Hong Kong – Oasis has submitted a formal request to Mr. Yoshihiro Hasebe, President and Representative Director of Kao Corporation ("Kao" or the "Company"), pursuant to Article 297, Paragraph 1 of the Companies Act, requesting that Kao convene an Extraordinary General Meeting of Shareholders (the "EGM") to be held within eight weeks of receipt of the request. Oasis has also asked Kao to provide, promptly and in writing, its planned dates for (i) the public notice of the record date, (ii) the dispatch of the notice of convocation, and (iii) the EGM itself.

Reasons for Calling an EGM

As a significant and publicly engaged shareholder, Oasis received numerous whistleblower allegations concerning Kao's supply chain, particularly the use of suppliers with reported links to human rights and deforestation for its palm oil and paper/pulp supplies. To assess the validity of these allegations, Oasis commissioned an independent third-party environmental expert. The resulting summary report, entitled "Assessment of Kao Corporation's No Deforestation, No Peat, No Exploitation ("NDPE") Policy and Implementation" (the "Report") is published at www.protectkao.com.

The Report identifies Kao's potential ongoing exposure to suppliers purportedly linked to deforestation, land seizures, and human rights violations, an overly narrow grievance mechanism that covers only an estimated 6% of palm oil volume by weight, and insufficient disclosure on pulp/paper suppliers and certification schemes compared with international peers and best-practice benchmarks such as the Accountability Framework Initiative.

These matters are highly material. According to Kao's own 2024 CDP disclosures[1], 100% of the Company's revenue is dependent on the supply of palm oil and 71-80% on the supply of paper/pulp products.

These matters could be highly damaging to corporate value if Kao's supply chain management is found to be weak, which we believe needs to be investigated and remedied. Weak controls expose Kao to brand damage, regulatory risk (particularly under the EU Deforestation Regulation), loss of market access in key growth markets including EU and US, and disruption to the execution of its K27 mid-term plan, which targets international expansion for flagship brands including Bioré, ORIBE and Curél.

The Report's findings indicate that an independent, shareholder-mandated fact-finding process of Kao's supply chain is warranted to protect corporate value.

Why a Fully Independent, Shareholder-mandated Investigation is Necessary

Kao's current governance structure creates clear conflicts of interests making an independent investigation necessary, as follows

First, President Hasebe chairs the ESG Managing Committee responsible for compliance oversight and serves on the Compensation Advisory Committee and has ultimate responsibility for Kao's ESG and compliance.

Second, significant portions of management's (including President Hasebe's) variable performance-based share incentive plan are directly linked to ESG metrics that could be impacted by an investigation.

Most importantly, long standing best practices, in line with the Japan Federation of Bar Associations, call for an independent investigation to ensure objectivity, independence, and neutrality.

An Independent Investigation is Value-enhancing for ALL Stakeholders

Regardless of outcome, an independent investigation will either:

1. Validate Kao's systems and strengthen stakeholder trust, or
2. Deliver a clear diagnosis that enables timely remediation before these risks materialize into market-access failures or regulatory action.

Both of these results support Kao's sustainable long-term corporate value. Oasis urges both the Company and its shareholders to support a process that can restore trust, improve transparency, and protect corporate value. An independent investigation provides the credible fact-finding needed to strengthen risk management, rectify any supply chain issues, and ensure Kao's overseas growth strategy is built on a solid foundation. This is a positive step for all stakeholders -- one that benefits the Company and its long-term sustainable growth prospects.

The requested investigation is time-bound, focused solely on material risk and disclosure controls, and structured to avoid unnecessary operational burden. Oasis has also undertaken to compensate the investigators for any portion of costs exceeding reasonable compensation that would normally be borne by the Company.

[1] https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/cdp2024-001.pdf

Seth Fischer, Founder & Chief Investment Officer of Oasis, said:

> *"Kao claims to be one of the world's most ethical companies[2] -- a distinction its management has celebrated and incorporated into its compensation structure. Yet independent research reveals a fundamental disconnect between these claims and documented supply chain practices. For example, when peers suspend suppliers for reported links to forced labor and deforestation, Kao increases its exposure to these same suppliers. With management's compensation linked to ESG metrics, shareholders cannot rely on internal processes to assess the truth. An independent investigation is the only credible path forward -- both to protect corporate value and to restore the trust that Kao's customers, investors, and employees deserve."*

Oasis urges Kao's Board of Directors and all shareholders to support the appointment of independent investigators at the upcoming EGM.

The full EGM request and supporting materials are available at www.protectkao.com.

Oasis Management Company Ltd. ("Oasis") is the manager to private funds holding over 6.6% of the shares in Kao Corporation ("Kao" or the "Company"). Oasis has adopted the Japan FSA's "Principles for Responsible Institutional Investors" (a/k/a Japan's Stewardship Code) and, in line with those principles, monitors and engages with its investee companies.

We welcome all stakeholders to contact us at info@protectkao.com.

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Oasis manages private investment funds focused on opportunities in a wide array of asset classes across countries and sectors. Oasis was founded in 2002 by Seth H. Fischer, who leads the firm as its Chief Investment Officer. More information about Oasis is available at https://oasiscm.com. Oasis has adopted the Japan FSA's "Principles of Responsible Institutional Investors" (a/k/a the Japan Stewardship Code) and, in line with those principles, Oasis monitors and engages with our investee companies.

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[2] https://www.kao.com/global/en/newsroom/news/release/2025/20250327-001/

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