

Progress of Kao and Lion's Recycling Collaboration

Field Testing In-store Used Refill Pack Collection at Ito-Yokado's Hikifune Store

Kao Corporation and Lion Corporation are conducting field testing of the separated collection of recycling film packaging from used refill packs with the assistance of the Ito-Yokado Hikifune Store (Sumida-ku, Tokyo) to help realize the resource circulation of plastic packaging in society. The collection status from October 2020 to June 2021 is as follows.

➤ Collection Status

We collected approximately 5,200 pieces of film packaging in the period from Friday, October 30, 2020 to Tuesday, June 15, 2021.

Thanks to the cooperation of the Ito-Yokado Hikifune Store and its customers, we were able to collect about twice the amount we had planned for.

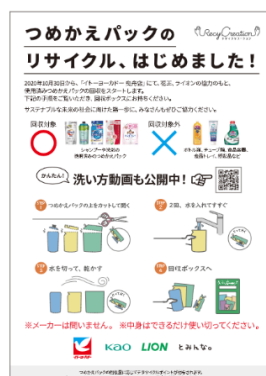


➤ Challenges for Expanding Collection Efforts

- Raising awareness about the initiative and encouraging participation
- Spreading information about washing and drying film packaging in advance for more efficient recycling
- Preventing items other than film packaging from being discarded in the collection boxes

➤ Efforts to Address Challenges, Including Those Planned or under Consideration

- We provide information by distributing fliers and putting up posters in the store about the film packaging collection program, including how to wash and dry packaging for collection, as well as details about the collection process and the goals of the initiative.
- We are working to encourage customers to keep participating in the film packaging collection program by creating artwork using blocks made from recycled film packaging as well as displays that show the progress of the program.



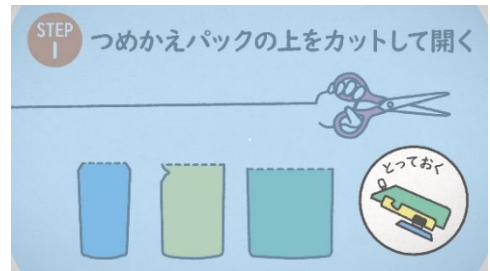
In-store posters and displays about film packaging collection

- We added clearer labels to the collection boxes to draw attention and prevent people from depositing items other than film packaging.

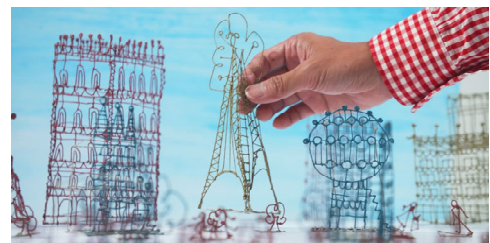


- The aim of the initiative and how to wash the film packaging is explained in an easy-to-understand video available to the public.

<https://www.youtube.com/watch?v=wnLV6-VGJ8E>

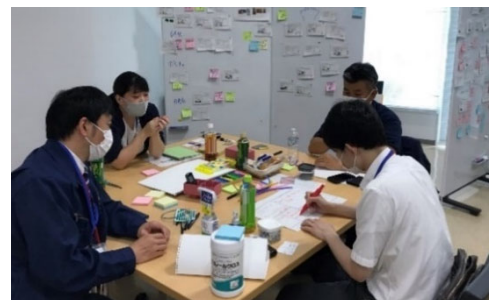


- We create artwork from the recycled plastic and give back to the local community while considering more ways to contribute to environmental education.



- We are continuing to strive for improvement by investigating the effectiveness of our information dissemination efforts and how people are participating in the initiative, as well as the amount, content and condition of the film packaging being collected.

- The key to success in realizing resource circulation in society is gaining consumers' understanding and cooperation. To promote awareness, we hold workshops for local university students, companies and Sumida City Hall staff to exchange ideas about increasing the collection volume and ways to reuse the collected items.



➤ Next Steps of the Initiative

The film packaging we collect for this initiative is sent for recycling to a pilot plant set up at the Kao Wakayama Plant. Kao and Lion are working together to develop and verify new recycling technologies.

We are also investigating the status of and issues related to recycling, sorting and collecting household waste plastic and studying effective sorting and collection processes as well as easy-to-recycle packaging design, to improve the rate of recycling and realize material recycling that turns collected film packaging into resin material that can be reused in the production of film packaging.



[Company Profiles]

About Kao

Kao creates high-value-added products that enrich the lives of consumers around the world. Through its portfolio of over 20 leading brands such as *Attack*, *Bioré*, *Goldwell*, *Jergens*, *John Frieda*, *Kanebo*, *Laurier*, *Merries* and *Molton Brown*, Kao is part of the everyday lives of people in Asia, Oceania, North America and Europe. Combined with its chemical division, which contributes to a wide range of industries, Kao generates about 1,400 billion yen in annual sales. Kao employs about 33,000 people worldwide and has 130 years of history in innovation. Please visit the Kao Group website for updated information.

<https://www.kao.com/global/en/>

Lion Corporation Overview

Representative: Masazumi Kikukawa, Representative Director, President and Executive Officer

Address: 1-3-7 Honjo, Sumida-ku, Tokyo, Japan

Established: September 1918 (founded October 30, 1891)

Net Sales (consolidated): 355.3 billion yen (term ended December 2020)

No. of employees (consolidated): 7,452 (as of December 31, 2020)

Business description: The manufacture and sale of toothpastes, toothbrushes, soaps, detergents, hair- and skin-care products, cooking-related products and pharmaceuticals. Exports to overseas affiliates.

Media Inquiries should be directed to:

Corporate Strategy

Kao Corporation

Tel.: +81-3-3660-7043

Corporate Communication Center

Lion Corporation

Tel.: +81-3-3621-6661

Fax: +81-3-3621-6529