

FOR IMMEDIATE RELEASE

Kao and KOSÉ to Embark on Comprehensive Collaboration in the Sustainability Domain of the Cosmetics Business
Parties to Create Solutions to Promote a Sustainable Society in a Wide Range of Fields

Kao Corporation and KOSÉ Corporation have agreed to embark on comprehensive collaboration in the cosmetics sustainability domain, with the aim of realizing a sustainable society. Going forward, both parties will pool their strengths to collaborate in a wide range of fields, including people, society, and the environment, to identify solutions in the cosmetics business that can contribute to the realization of a sustainable society.

In recent years, a variety of social challenges have assumed increasing importance, including climate change, resource shortages, and plastic waste in the world's oceans, and a shift to a sustainable global society is needed. In addition, these challenges are having a major impact on markets themselves by bringing about changes in consumer needs. Finding solutions to these challenge themes is often beyond the capacity of individual enterprises, but if corporations can collaborate in this regard, there is increasing potential for more effective, rapid achievement of results.

Concerning collaboration by the parties

Now Kao and KOSÉ are joining forces to address challenges in the domains of people, society, and environmental protection, and are considering next steps predicated on the following activity themes. Going forward, the scope of collaboration will be expanded into a greater diversity of areas, and the parties will promote comprehensive collaboration across competitive boundaries.

■Initiatives to contribute to the realization of environmental protection and the resource-circulating society

- Incorporate a wide range of environmentally friendly materials into product packaging
- Promote resource circulation and upcycling measures jointly
- Source materials with limited environmental impact

■Initiatives to contribute to solution of social challenges

- Jointly deploy/coordinate awareness-raising activities relating to skin care, UV care, etc.
- Jointly deploy/coordinate awareness-raising activities relating to respect for beauty diversity

About the parties' ESG (Environmental, Social and Governance) activities

Over the past 130 years, Kao has worked to help consumers lead fulfilling lifestyles. In April 2019, Kao established the “Kirei Lifestyle Plan,” an ESG strategy that includes 19 leadership actions. Kao is taking the *Yoki-Monozukuri** concept, cultivated by the group through its corporate activities to date, and upgrading it to ESG-driven *Yoki-Monozukuri*, as well as strengthening its initiatives in consideration of the environment and society. In addition, the Kao Group Mid-term Plan 2025 (K25), which was launched in January 2021, proclaims “Sustainability as the Only Path” as its vision. By contributing to an enriched sustainable world and growing its businesses through proactive engagement in ESG activities and investment, the Kao Group aims to be an essential company in the future. With respect to its cosmetics business, starting in 2021 the company began cultivating brands that respect “Beauty as diverse as all individuals” under its “Celebration of Individuality” business purpose. The cosmetics business is also redoubling its *Yoki-Monozukuri* efforts from an ESG perspective, including reduction of plastic resources utilized in product packaging.

*Kao defines *Yoki-Monozukuri* as a strong commitment by all members to provide products and brands of excellent value for consumer satisfaction.

The KOSÉ Group has proclaimed “Creating Beauty in a Sustainable World” as its corporate message. From its “SAVE the BLUE” environmental protection activity, now in its 13th year for the representative SEKKISEI brand, to its QOL (Quality of Life) enhancement promotion in the medical-adjacent domain, including awareness-raising relating to allergy protection through skin care as well as the necessity of UV care, KOSÉ has continued to diligently pursue highly distinctive activities characteristic of the company and uniquely suited to cosmetics. In April 2020, as part of its medium- to long-term VISION 2026, the company proclaimed its intention to develop a sustainability strategy spanning its entire value chain, and announced its KOSÉ Sustainability Plan, through which it will work to address a range of social challenges from the standpoint of two activity themes, “For People” and “For the Earth.” For many years, KOSÉ has offered a diverse and distinctive selection of brands and products, and is utilizing experience accumulated through personalized counseling-type sales activities to proclaim “Adaptability” as an element that should be integrated into its products and services. By contributing through the process of offering products to building a sustainable resource-circulating society that puts the environment first, embracing diversity so as to be a source of beauty for everyone, and offering adaptable products and services that can be accepted by diverse people throughout the world, KOSÉ is working to realize a society that leaves no one behind.

[Company Profiles]

Kao Corporation

Representative: Yoshihiro Hasebe, Representative Director, President and Chief Executive Officer

Address: 1-14-10 Nihonbashi Kayabacho, Chuo-ku, Tokyo, Japan

Established: May 21, 1940 (founded June 19, 1887)

Number of employees (consolidated): 33,409 (as of December 31, 2020)

Business description: Consumer products businesses, including Hygiene & Living Care, Health & Beauty Care, Life Care, and Cosmetics, and the Chemical business to meet the needs of industry.

KOSÉ Corporation

Representative: Kazutoshi Kobayashi, President and Chief Executive Officer

Address: 3-6-2 Nihonbashi, Chuo-ku, Tokyo, Japan

Established: June 8, 1948 (founded March 2, 1946)

Number of employees (consolidated): 14,403 (as of March 31, 2021, including contract and part-time employees)

Business description: Cosmetics business, centered on high added value, high-prestige and prestige brands; Cosmetaries* business, mainly in the self-service category.

*A coined word combining “cosmetics” and “toiletries.”

<Related Information>

■Kao >Sustainability

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

■Kao launches new ESG Strategy “Kirei Lifestyle Plan” to support consumer lifestyle changes

<https://www.kao.com/global/en/news/sustainability/2019/20190422-001/>

■Kao's New Challenges for the Future: Accelerating Purposeful Business Commitment with ESG

<https://www.kao.com/global/en/news/business-finance/2019/20190926-001/>