

FOR IMMEDIATE RELEASE

November 25, 2021

Kao and Lion, with Welcia Yakkyoku and Hamakyorex, Begin Field Testing for Recycling of Used Refill Film Packaging

Kao Corporation, Lion Corporation, Welcia Yakkyoku Co., Ltd. and Hamakyorex Co., Ltd. are collaborating on a RecyCreation* activity to help realize the resource circulation of plastic packaging in society. Field testing for the recycling of used household product refill film packaging began on October 30, 2021.



* RecyCreation combines the concepts of recycle and creation, and aims to create new value by recycling used refill packs into more enjoyable and better items, using technologies, knowledge and ideas. The concept of this initiative is “Throwing it away after use. We want to change this common practice.”

(Visit Kao’s RecyCreation Facebook page, at: <https://www.facebook.com/RecyCreation.jp/> [Japanese])

Welcia Yakkyoku Co., Ltd., a leading Japanese drugstore chain that handles large quantities of household product refill packs, has installed collection boxes in 28 locations, including the company’s Tokyo head office, 20 stores in Tokyo, and 7 stores in Saitama. By providing consumers with the opportunity to participate in recycling, Welcia Yakkyoku is collecting used refill packs for products such as washing detergent and shampoo. Logistics service provider Hamakyorex then collects these used refill packs in its delivery trucks on the way back from delivering products to Welcia Yakkyoku stores, exploring ways to develop an efficient, environmentally-friendly logistics process. Kao and Lion recycle the collected used refill packs to create blocks that can be utilized in their stores and in the local community, with the goal of raising consumers’ awareness, while also aiming to explore technology for horizontal recycling of film packaging and develop more recycling-friendly packaging designs.

Welcia Yakkyoku stores have close links with the local community, and the multiple stores that are participating in this field-testing project are aiming to raise consumers’ awareness regarding the importance of recycling and secure their collaboration in recycling efforts, while also exploring ways

of making the collection and transportation of used refill packs more cost-effective and more environmentally-friendly, seeking to build an effective recycling system. Consideration will be given to expanding the application of the recycling model developed through this initiative to other regions, to help realize the resource circulation of plastic packaging in society.



Field-testing Overview

■ Purpose

To explore separated collection and recycling of used refill packs in collaboration with consumers and retailers.

■ Content

- Enhancing consumers' enthusiasm for recycling through RecyCreation
- Collecting used refill packs for detergent and shampoo products, etc., at multiple Welcia Yakkyoku stores
- Conducting surveys into the quality and quantity of collected used refill packs
- Building a collection and transportation model whereby collected used refill packs are transported by delivery trucks on the way back from delivering products to stores
- Recycling used refill packs to make blocks etc. that can be used at stores and in the local community
- Using used refill packs for experimental samples for horizontal recycling whereby used film packaging is used to make new film packaging

■ Collected items

Used refill packs for household products (film packaging):

- Empty packs that have been washed and dried
- Regardless of manufacturer
- Regular (non-refill) bottles are excluded

■ Implementation period

Starting from October 30, 2021

■ Locations of collection boxes for used refill packs

Welcia Yakkyoku's Tokyo head office, 20 stores in Tokyo and 7 stores in Saitama, for a total of 28 locations

Tokyo

Adachi-ku:

Welcia Adachi Shinden Store	Welcia Adachi Nishiarai Store
Welcia Adachi Aoi Store	Welcia Adachi Minami-Hanahata Store
Welcia Adachi Kaga Store	Welcia Adachi Kohoku Store
Welcia Adachi Shimane Store	Welcia Adachi Kodo Store
Welcia Adachi Takenotsuka Store	Welcia Adachi Takenotsuka 1-chome Store
Edogawa-ku:	
Welcia Yakkyoku Edogawa Ichinoe Store	Welcia Edogawa Matsumoto Store
Welcia Edogawa Naka-Kasai Store	Welcia Edogawa Shishibone Store
Welcia Edogawa Hon-Isshiki Store	Welcia Edogawa Shinozaki Store
Welcia Edogawa Mizue-ekimae Store	Welcia Edogawa Higashi-Mizue Store
Sumida-ku:	
Welcia Sumida Yahiro Store	
Chiyoda-ku:	
Welcia Chiyoda Ochanomizu Store	Welcia Yakkyoku Head Office
Saitama Prefecture	
Kasukabe City:	
Welcia Kasukabe Midori-cho Store	Welcia Kasukabe Ichinowari Store
Welcia Kasukabe Toyoharu Store	Welcia Kasukabe Fujitsuka Store
Welcia Kasukabe Hatchome Store	Welcia Kasukabe Yahara Store
Welcia Kasukabe Takesato Store	

[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)

Net Sales (consolidated): 1,382 billion yen (term ended December 2020)

No. 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.

Lion Corporation

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.

Welcia Yakkyoku Co., Ltd.

Representative: Tadahisa Matsumoto, President and Representative Director

Address: 2-2-15 Soto-Kanda, Chiyoda-ku, Tokyo, Japan

Established: April 1974

Net Sales (consolidated): 866.4 billion yen (term ended February 2021)

No. of employees (consolidated): 31,208 (term ended February, 2021; for part-time employees, 8 hours of working time was calculated as being equivalent to one full-time employee)

Business description: Operation of drugstores with in-store pharmacies

Hamakyorex Co., Ltd.

Representatives: Masataka Osuka, Chief Executive Officer

Hiddenori Osuka, Chief Operating Officer

Address: 1701-1 Terawaki-cho, Minami-ku, Hamamatsu, Shizuoka, Japan

Established: February 1971

Net Sales (consolidated): 118.876 billion yen (term ended March 2021)

No. of employees (consolidated): 5,080 (as of March 31, 2021)

Business description: Logistics center operation

Environmental Initiatives**Kao Corporation**

Working Toward Resource Circulation for Plastic Packaging Kao and Lion Begin Collaboration on RecyCreation Activities

<https://www.kao.com/global/en/news/sustainability/2020/20200929-002/>

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/>

Our Philosophy & Action on Plastic Packaging

<https://www.kao.com/global/en/sustainability/topics-you-care-about/eco-friendly-products-plastic-packaging/>

Kao’s Sustainability

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

Lion Corporation

Kao and Lion Begin Collaboration on RecyCreation Activities

<https://www.lion.co.jp/en/press/2020/3289>

Released the LION Eco Challenge 2050 long-term environmental objectives for a healthy future for people and the Earth (Japanese)

<https://www.lion.co.jp/ja/company/press/2019/2945>

Lion’s approach to the environment

<https://www.lion.co.jp/en/csr/env/>

Lion and Sumida-ku, Tokyo Prefecture Conclude Agreement on Toothbrush Recycling (Japanese)

<https://www.lion.co.jp/ja/company/press/2020/3170>

Lion’s Sustainability

<https://www.lion.co.jp/en/csr/>

Welcia Yakkyoku Co., Ltd.

Environmental protection initiatives (Japanese)

https://www.welcia-yakkyoku.co.jp/information/reduce_plastic.html

Approach to CSR (Japanese)

<https://www.welcia.co.jp/ja/csr.html>

Hamakyorex Co., Ltd.

Proactive environmental action plan (Japanese)

<https://www.hamakyorex.co.jp/corporate/outline>