Kao Corporation

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News Release

FOR IMMEDIATE RELEASE

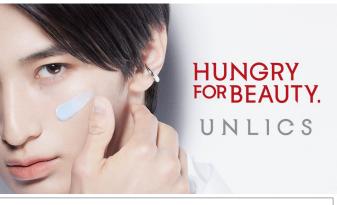


December 6, 2022

Kao Releases a Cosmetics Brand for Gen Z Men UNLICS An Inspiring New Lineup to Explore and Enhance a Person's Beauty

Kao Corporation has launched *UNLICS*, a cosmetics brand for Gen Z men who aspire towards a beauty that goes deeper than personal grooming. *UNLICS* products debuted on the official *UNLICS* online retail site, Rakuten and Amazon^{*1}, on December 1, 2022.

Branded under the "HUNGRY FOR BEAUTY" slogan, *UNLICS* has started to unveil a lineup of items that satisfy the drive toward beauty. Two products were released on December 1: *UNLICS*



Hungry for Beauty. Birth of UNLICS. <u>UNLICS brand movie</u>

IMPRESS COLOR WEAR, a clarifying makeup base, and *UNLICS* AQUA HUG WATER, a lotion. IMPRESS COLOR WEAR will be available in four hues to suit the user's preferred look (4 colors, 3,080 yen including tax). AQUA HUG WATER will delight users with the fresh and youthful feeling it brings to the skin. A month later, on January 12, 2023, the lineup will expand with the launch of five different beauty serums that embrace the skin without feeling sticky or clogged, along with a reusable face towel mask.

UNLICS is a portmanteau of UNLIMITED and CS (an abbreviation of CURIOSITY). The brand responds to the desires of Gen Z men, whose interest in beauty goes far beyond simple grooming. Three of the most popular male beauty influencers in Japan have tied up with *UNLICS* to take part in all phases of brand creation, from product development to communications.

By launching a cosmetics brand that nourishes the aspiration for beauty in Gen Z men, Kao is striving to realize a society where everyone can seek and express beauty freely, regardless of gender.

*1 Will be available on Amazon by the end of December

■ Leading Up to the Launch

The market for men's cosmetics has recently been expanding. Younger men have been the force driving the market, with a 17% rise in the number of teen and twenty-something males purchasing cosmetics from 2017 to 2021 (Kao survey from January 2022). According to a Kao study conducted in September 2019, men are also using more foundation and skincare, in a trend that reflects their changing awareness of beauty.

In a detailed survey of men's beauty attitudes from January 2019, the most frequent reasons for using skincare and makeup were, "being told I have beautiful skin," "to feel confident," and "to feel motivated." When asked to describe "beautiful skin," the respondents often came up with qualities like "fine texture," "soft," "bright,"

and "clear." Yet many of the men had difficulties in finding cosmetics with the right textures and functions to attain those qualities in their own skin.

According to a study conducted by the Kao Research Laboratories in early 2020, the skin of men in their 20s contains less moisture than the skin of similarly aged women, is more prone to moisture loss, and tends to take on a dark reddish tone.

Product Features

Kao identified "fine texture," "bright," "clear," and "cool" as the skin qualities most desired by Gen Z men. Every product in the UNLICS lineup brings out those qualities by conditioning the skin to a "fine & cool" finish^{*2}. The main item in the lineup is UNLICS IMPRESS COLOR WEAR, a makeup base that controls the dark reddish tone and uneven coloring of men's skin. Users can choose from four different hues according to their preferred look. The makeup base spreads smoothly and evenly on the skin, adding just



the right color and texture to achieve the desired "fine & cool" finish^{*2}.

With decades of experience as a maker of men's skincare, Kao listens to men's skin concerns and provides emotional and functional product values to satisfy the aspiration for beauty in Gen Z men.

*2 Due to makeup effects

■ Communication Strategy

UNLICS will directly communicate the brand's worldview to the digital native generation of beauty-conscious men. Video contents will be released showing young men gaining confidence while applying makeup. The videos are designed to trigger curiosity in beauty and will be used to gain brand recognition, understanding, and sympathy. Three influencers have joined UNLICS as brand partners who actively communicate the brand through live events on social media.



Current beauty partners. From left, Sena Kurumaya, YUSUKE, Shoki <u>UNLICS brand partners interview movie</u>

Kao has also launched "UNLICS BEAUTY DIG-TIONARY," a UX app for digging through beauty information while choosing from a menu of 20 different looks. UNLICS DIG-TIONARY demonstrates beauty techniques by displaying rotating headshots (180 degrees) and images of the skin in super-high-resolution zoom. Tailor-recommended UNLICS products will be offered as in-app purchases.



Proprietary UX tools in <u>UNLICS</u> <u>BEAUTY DIG-TIONARY</u>

Product Overview

December 1, 2022 Launch

Product name, items, volume, price	Product Features		
<i>UNLICS</i> IMPRESS COLOR WEAR Total 4 types 22g 3,080 yen	A makeup base developed for men's skin to control redness and uneven color. Spreads smoothly and evenly on the skin, adding the desired color-control effect and texture to achieve a fine & cool skin finish *2.	LINLIC	
UNLICS AQUA HUG WATER Bottle 180 mL 3,080 yen (tax included) Refill 160 mL 2,640 yen (tax included)	A lotion that leaves skin refreshed, soft, and clear. The mellow texture gently envelops the stratum corneum with ample moisture. -Soft Skin Moisture Assist Ingredient (Moisture retention) [Na Hyaluronic Acid, Soymilk Fermentation Solution ^{*3} , Bitter Orange Peel ^{*4}] -Hydro-Supporting Ingredients (Moisture retention) [Watercress Extract ^{*5} , Ethyl Glucoside, Glycerin]	UNLICS	

*2 Due to makeup effects

*3 Lactobacillus acidophilus / Soymilk fermentation liquid

*4 Bitter orange peel extract

*5 Dutch mustard extract

January 12, 2023 Release

Product name, items, volume, price	Product Features	
UNLICS SERUM ME Total 5 types (01 • 02 • 03 cosmetic product / 04 • 05 quasi drug) UNLICS SERUM ME 04 (Quasi-drug) Trade name: UL Milk Serum a For rough skin and roughness. Prevents acne. UNLICS SERUM ME 05 (Quasi-drug) Trade name: UL Milk Serum b Inhibits melanin production and prevents spots and freckles.	A beauty serum with a well-balanced blend of oil- and water-soluble ingredients to envelop the skin without traces of stickiness or clogging. The melty-spread formulation with three different polymers blends softly into the skin, seeping deep into the stratum corneum. Users can choose from five different types based on their skin concerns. Each type is scented with a unique blend of essential aroma oils *6.	
40 mL 3,850 yen (tax included) <i>UNLICS</i> HOG FOG MASK 1 Sheet 2,750 yen (tax included)	A reusable face mask towel that envelops the entire face in warm steam. Hog Fog Mask eases the absorption of lotion and other skincare products, softening and relaxing the skin. An eco- friendly product that can be reused repeatedly without producing waste.	

Release date/region

Date	Channel	Country
December 1, 2022		Japan
January 12, 2023	UNLICS official online store, Amazon ^{*1} , and Rakuten	

*1 Will be available on Amazon by the end of December

UNLICS Brand Site https://UNLICS.jp/

About the Influencers

Sena Kurumatani	USUKE	Shoki
Sena is a beauty blogger on	Moving on from his career as a	Also known as "Prince Pearl" for
YouTube and Instagram. He	model and apparel producer in his	his glowing skin and meticulous
studies beauty ingredients and	teens, USUKE is now opening	skincare techniques, Shoki has
develops his own cosmetic	beauty salons and writing books	been an active beauty influencer
products.	and a Korean beauty column.	and entrepreneur since his student
		days at Keio University.



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About Kao

Kao creates high-value-added products and services that provide care and enrichment for the life of all people and the planet. 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 business, which contributes to a wide range of industries, Kao generates about 1,420 billion yen in annual sales. Kao employs about 33,500 people worldwide and has 135 years of history in innovation. Please visit the Kao Group website for updated information. https://www.kao.com/global/en/

*This news release is a translation of a Japanese-language news release dated November 29, 2022.