News Release

Kao Corporation



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Kao Launches Business Transformation to Build Hair Care Business into a Growth Driver [1st Launch] New Brand melt

Proposing "beauty care for relaxing moments" to care for hair while unwinding

Kao Corporation has launched a transformation of its leading Hair Care business. As the first launch in this transformation, on April 20, 2024, Kao is releasing the new hair care brand melt, which offers "beauty care for relaxing moments" to care for hair while unwinding (available in some stores in March ahead of the brand launch). Going forward, Kao will launch more new brands and rebrand its existing brands to rebuild the brand formation of its entire Hair Care business.



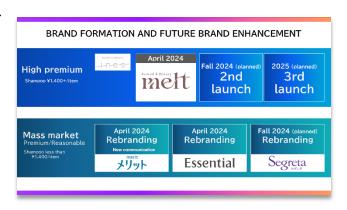
Through this transformation, Kao will build its Hair Care business into a growth driver.

1. Kao's Hair Care business transformation

Kao began research on hair care in the 1920s and launched the Kao Shampoo Bar in 1932. This product established the word "shampoo" in daily life and a new hair-washing practice among Japanese people. Kao continued to leverage its technology thereafter to offer a wide range of products that met the needs and solved the concerns of consumers in each generation. Now, after 100 years of research on hair care, Kao is embarking on a transformation of its Hair Care business based on the new business vision "Hair: The Power of Life."

The Japanese hair care market*¹ has exhibited ongoing robust performance. Within it, the high premium market segment, consisting of products in the ¥1,400 and up price range, is showing particularly strong growth. A deep dive into feedback from consumers receptive to high premium products reveals that in addition to the product features, consumers also focus on their emotional design such as their worldview, concept and packaging (according to a survey conducted by Kao in 2023, n=3,000, men and women between the ages of 20 and 59).

Accordingly, based on the business vision of "Hair: The Power of Life," Kao is rebuilding its hair care brand formation to align with consumers' emotional needs. While focusing on the emotional drivers, Kao will mobilize its more than 100 years of hair care research expertise in product manufacturing to consistently exceed consumer expectations for each brand.



This business transformation includes full-scale entry into the growing high premium market. As a first step, Kao is launching the new brand melt, with plans to launch additional brands in the future. At the same time, the existing merit, Essential and Segreta brands in the mass market (premium/reasonable segments) will be rebranded to enhance their brand power. Through these brand innovations, Kao will build its Hair Care business into a growth driver.

*1 Categorized as "high premium (¥1,400+)" and "mass market (premium/reasonable segments) (¥1,399 or less)" based on pump-type shampoo/conditioner sales price.

2. Goal of product launch

More people today place value on "caring for their mental and physical well-being" amid changing environmental and social conditions as well as feeling overloaded by information in the digital society. The focus on "self-care" has sparked social trends. Among them, consumers receptive to "high premium" hair care products show a tendency to use bath time for home beauty treatments (according to a survey conducted by Kao in 2023, n=3,000, men and women between the ages of 20 and 59).

Therefore, based on the brand concept of "beauty care for relaxing moments" to care for hair while unwinding, the new brand melt stimulates the senses with sound, bubbles, texture and aroma to not only care for hair but also to offer a new way to transform time spent on hair care into time spent on self-care as well.

3. Product features

The melt hair care brand helps create glossy, soft and meltingly lustrous hair.

melt Moisture Shampoo and melt Moisture Treatment feature a hybrid repair formulation that repairs both the outer and the inner layers of the hair. Repair Shield ingredients*2 penetrate the hair's surface layer, while Melty Ceramides*3 penetrate the hair's inner layers to deliver intensive repair to damaged hair. melt is also formulated with Melty Beauty Extracts*4 to deliver hydration to the hair's inner layers. melt brings out hair's natural softness and shine potential for glossy, soft and meltingly

lustrous hair.

melt Creamy Melt Foam is a fresh carbonated shampoo with melty and fizzy dense, foaming bubbles designed after a head spa experience. The carbonation is activated when the powder is mixed with water. The rich, creamy carbonated bubbles seem to melt into the scalp and hair. As the foam is massaged and worked through the hair, it lifts away dirt and oil around hair follicles to leave the scalp and hair feeling refreshingly clean. melt Creamy Melt Foam also boosts the penetrating power of treatment applied afterward.

melt Creamy Melt Foam can also be used in combination with melt Moisture Shampoo to create a rich foam of microbubbles to give hair a meltingly glossy finish.

https://www.youtube.com/watch?v=QHy3kRtblpU



melt Creamy Melt Foam, melt Moisture Shampoo and melt Moisture Treatment with the hybrid repair formulation can give hair a smoother texture that is less prone to tangles in each stage of hair care, from washing and conditioning to styling.

melt Moisture Shampoo, melt Moisture Treatment and melt Moisture Conditioning Water are scented with geranium and lily of the valley for a mindful aroma that invites the user to lose themselves in the moment. Created from a blend of high-quality natural essential oils, the aroma features clear fruity and sweet floral notes with gentle herbal accents including geranium and sage and a light musk finish. The aroma was designed while imagining users' unwinding during beauty care time.



Note: Image

The future communication strategy will focus on providing real-world experiences where consumers can immerse themselves in melt's worldview through various sensory pleasures from sound, bubbles and texture to aroma.

- *2 Lanolin fatty acids (repairing)
- *3 Bis-methoxypropylamido isodocosane (repairing)
- *4 Hydrolyzed keratin (sheep wool), hydrolyzed silk, hydrolyzed collagen, hydrolyzed conchiolin protein, sodium dilauramidoglutamide lysine, sodium hyaluronate, lactic acid (for shine, moisturizing)

4. Product overview

| Product name | melt Moisture Shampoo | |
|--------------|--|--|
| Content | Bottle: 480 ml, refill pack: 380 ml | |
| amount | | |
| Product | Focus on hair stress factors*5 | |
| features | A hybrid-repair formulation that repairs both | |
| | hair's outer and inner layers for glossy, soft and | |
| | meltingly lustrous hair | |
| | | melt Meist Shanpes |
| | Hybrid-repair formulation that repairs both | The enter Turby and Anagone Andalogue Andalogu |
| | hair's outer and inner layers | 16.2 ff 9c/ 440 ml |
| | Repair Shield ingredients penetrate the hair's | |
| | outer layers while Melty Ceramides penetrate the hair's | inner layers to |
| | intensively repair damaged hair | |
| | • Formulated with Melty Beauty Extracts that bring or | ut hair's natural |
| | softness and shine potential | |
| | Formulated with Beauty Extracts that deliver hydration | to the hair's inner |
| | layers. | |
| | Unleashes hair's natural softness and shine potential for | beautiful hair that |
| | seems to almost melt as it moves | |
| | Soft, densely rich foam protects hair from friction | |
| | and tangles during washing | |
| | Gentle microbubbles protect hair from damaging | |
| | friction and tangles during washing for glossy, soft hair | |
| | • Formulated with natural extracts: Geranium* ⁶ , Tonkin ja | ismine, sage |
| | (moisturizing) | |
| | • Free of sulfates and artificial colors | |
| | ●Silicone-free formulation ● pH balanced (mildly acidic) | |
| | Gently cleanses hair without leaving it feeling dry and by | rittle |
| | Mindful aroma to get lost in the moment: Geranium & li | ily of the valley |
| | *5 Dryness, friction, tangles and humidity naturally experienced in dail | y activities |
| | *6 Pelargonium graveolens oil | |

| Product name | melt Moisture Treatment |
|--------------|---|
| Content | Bottle: 480 ml, refill pack: 380 ml |
| amount | |
| Product | Focus on hair stress factors |
| features | A hybrid-repair formulation that repairs both |
| | hair's outer and inner layers for glossy, soft and |
| | meltingly lustrous hair |
| | Hybrid-repair formulation that repairs both |
| | hair's outer and inner layers |
| | Repair Shield ingredients penetrate the hair's |
| | outer layers while Melty Ceramides penetrate the hair's inner layers to |
| | intensively repair damaged hair |
| | • Formulated with Melty Beauty Extracts that bring out hair's natural |
| | softness and shine potential |
| | Formulated with Beauty Extracts that deliver hydration to the hair's inner |
| | layers. |
| | Unleashes hair's natural softness and shine potential for beautiful hair that |
| | seems to almost melt as it moves |
| | • Formulated with natural extracts: Geranium, Tonkin jasmine, sage (moisturizing) |
| | • Free of sulfates and artificial colors • pH balanced (mildly acidic) |
| | Mindful aroma to get lost in the moment: Geranium & lily of the valley |

| Product name | melt Creamy Melt Foam |
|--------------|--|
| Content | 1.0 g x 12 packets |
| amount | |
| Product | A fresh carbonated shampoo with richly dense |
| features | foaming bubbles designed after a head spa |
| | Mix the powder with water to activate the carbonation |
| | for this foaming shampoo. Rich, creamy bubbles seem |
| | to melt into the scalp and hair. When massaged into and |
| | worked through the hair, the bubbles lift away dirt and |
| | oil from around hair follicles to leave the scalp and hair |
| | feeling refreshingly clean. Also boosts the penetrating |
| | power of treatment applied afterward |
| | |

| • Formulated with natural extracts: Tonkin jasmine, sage, rose (moisturizing) |
|--|
| • Formulated with five amino acids* ⁷ |
| • Free of sulfates and artificial colors • Silicone-free formulation |
| *7 Serine, proline, arginine, isoleucine, glycine (repairing) |
| |
| [Recommended use] |
| (1) Fully wet scalp and hair |
| (2) Place a small amount of water in the palm of your hand (About 500 yen coin |
| amount of water) |
| (3) Add one powder stick (1 g) to the water |
| (4) Top with melt Moisture Shampoo (liquid) (about two pumps of shampoo for |
| semi-long hair) |
| (5) Mix together lightly. Apply evenly through hair and wash as normal to |
| create a melty dense foam. Use 2–3 times per week for best results. |

| Product name | melt Moisture Conditioning Water | |
|------------------|--|--|
| Content | 170 ml | |
| amount | | |
| Product features | Conditioning water to create hair with dewy | |
| | shine | |
| | Intense moisture charge. Essence hair pack | |
| | formulation Community Comm | |
| | Meltingly rich texture envelops each strand of | |
| | hair and slowly penetrates the hair's inner layers | |
| | to deliver hydration for glossy, shiny hair | |
| | 4,00 ft or for all desired for the form of | |
| | Damage repair and protection from heat and | |
| | friction | |
| | Shortens blow-drying time | |
| | Helps prevent bed head and frizz during the day | |
| | | |
| | • Formulated with natural extracts: Geranium, Tonkin jasmine, sage | |
| | (moisturizing) | |
| | • Mindful aroma to get lost in the moment: Geranium & lily of the valley | |

Note: Recommended retail prices will not be set for products.

5. Launch date and store availability

Launch date: April 20, 2024

Store availability: Available ahead of launch in stages from early March at LOFT stores nationwide

and the online LOFT Net Store

April: MatsukiyoCocokara & Co., Hands, @cosme store, @cosme shopping,

Kao official online shop (My Kao Mall)

Will be available at other stores in stages

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 1,550 billion yen in annual sales. Kao employs about 35,400 people worldwide and has 136 years of history in innovation. Please visit the Kao Group website for updated information.

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