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Kao and Kirin Beverage Begin Collaboration on Transportation Between Operating Sites

Contributing to improving truck transportation efficiency and reducing CO₂ emissions by 15%

Kao Corporation will begin collaborating with Kirin Beverage Company, Limited in February 2025 for roundtrip transportation between their respective operating sites. Transportation efficiency can be improved and CO₂ emissions can be decreased by utilizing empty return trucks and connecting traditional transportation routes.

This collaboration utilizes a route that combines empty sections after transportation, from Kao's Kawasaki Logistics Center (Kanagawa Prefecture) to the Koshoku Logistics Center (Nagano Prefecture), and from Shinshu Beverage Co., Ltd.'s factory (Nagano Prefecture), a subsidiary of Kirin Beverage, to Kirin Beverage's Kawasaki Logistics Center (Kanagawa Prefecture). After collaboration begins and the transportation method is confirmed, the volume of deliveries will be progressively increased.



Transportation route (conceptual image)

Overview

The logistics industry is concerned about a decline in transportation capacity due to a shortage of truck drivers. In light of this, there is a growing need to automate and streamline logistical processes. Kao is working on *Yoki-Monozukuri* with ESG integration, which contributes to a recycling-oriented society that reduces the burden on resources and the environment by delivering unique products that meet diversifying needs in the required amount.

The Kao Group handles transporting products from its 10 production plants in Japan to logistics centers, as well as delivery to retail stores in-house. By creating efficient transportation strategies, Kao is able to achieve

stable and speedy logistics. Additionally, in order to quickly respond to changes in the logistics environment, Kao is promoting initiatives for sustainable logistics through co-creation with partners across industries.

Collaboration with Kirin Beverage was made possible due to the following conditions being met: 1) Both companies, as shippers, have access to and can utilize each other's transportation record data; 2) Both companies can guarantee the quantity of cargo that can be loaded on each other's return trucks; and 3) There are linkable transport routes. Connecting each company's one-way transportation will contribute to reducing the number of transport trucks (total of over 300 per year) and CO₂ emissions (reduced by approximately 15% in the applicable section). Kao will also consider expanding joint transportation sections. Going forward, Kao will continue to broadly promote logistics collaboration across industry boundaries to resolve social issues.

The Supply Chain Kao Aspires For

With the corporate purpose "To realize a Kirei World in which all life lives in harmony," Kao Group established its ESG strategy, the Kirei Lifestyle Plan in 2019. Kao is promoting *Yoki-Monozukuri* with ESG integration which preserves resources and reduces the burden on the environment, and is working to help people live richer lives and create a caring and resource-circulating society that develops sustainably.

About the Kirei Lifestyle Plan

Over the past 130 years, Kao has worked to improve people's lives and help them realize more sustainable lifestyles—a Kirei Lifestyle. The Japanese word "kirei" describes something that is clean, well-ordered and beautiful, all at the same time. The Kao Group established its ESG strategy, the Kirei Lifestyle Plan in April 2019, which is designed to deliver the vision of a gentler and more sustainable way of living. By 2030, Kao aims to empower at least 1 billion people, to enjoy more beautiful lives and have 100% of its products leave a full lifecycle environmental footprint that science says our natural world can safely absorb.

Please visit the Kao sustainability website for more information.

About Kao

Kao, a Japan-based manufacturer of personal care and household products, cosmetics, and specialty chemicals creates high-value-added products and services that provide care and enrichment for the life of all people and the planet. Through its brands such as *Attack* laundry detergent, *Bioré* and *Jergens* skin care products, *Laurier* sanitary products, *Curél*, *SENSAI*, and *MOLTON BROWN* cosmetics, and *Oribe* hair care products, Kao is part of the everyday lives of people across Asia, the Americas, Europe, the Middle East, and Africa. Combined with its chemical business, which contributes to a wide range of industries, Kao generates about 1,530 billion yen in annual sales. Kao employs about 34,300 people worldwide and has more than 130 years of history in innovation. As an enterprise that provides products people use on a daily basis, the Kao Group takes responsibility to actively reduce the environmental footprint of its products throughout the product lifecycle. This is laid out in Kao's ESG strategy, the Kirei Lifestyle Plan, which launched in 2019.

Please visit the Kao Group website for additional information.

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