

## FOR IMMEDIATE RELEASE

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### **Kao Is Expanding Its Synthetic Fragrance Production Facilities in Spain, with the Aim of Strengthening Its Fragrance Business in Europe**

Kao Corporation is aiming to maintain and expand its market share in the European market for methyl dihydrojasmonate\* (MDJ), a synthetic fragrance, where Kao is already the EU market leader, by expanding the production facilities at the Olesa Plant of Kao Chemicals Europe in Spain.

\* Methyl dihydrojasmonate:

This is a basic fragrance material that provides a refined, fresh, floral (jasmine) fragrance, and which is used in a wide range of consumer products. The market size in 2021 was estimated to be 20,000 tons.

MDJ is utilized across a wide variety of different products, because of its good compatibility with other materials. Demand in Europe, which is the biggest market for MDJ, has remained steady, and global demand is forecast to grow at an annual rate of 4%. Kao has been producing MDJ in Spain since 2001. In order to respond to further growth in demand—particularly in the European market—Kao has decided to invest in an additional production facility. The new production facility, which is expected to more than double Kao's MDJ production capacity in Spain, will be completed by December 2022, and is scheduled to begin production in early 2023.

The new production facility will utilize manufacturing methods that feature unique, Kao-developed technology. The enhanced productivity will cut CO<sub>2</sub> emissions by 2,000 tons per year, while also reducing the amount of energy needed for waste water treatment by eliminating all saline waste water (which currently amounts to around 850 tons per year).

As one of the world's leading synthetic fragrance manufacturers, Kao ranks number one in terms of market share for supplying MDJ to the European market. With advanced technology which can keep pace with the trends toward ethical consumption and more rigorous environmental regulations in Europe, and with a stable supply capability, Kao is aiming to achieve a further strengthening of this business.

#### **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/>

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