

Kao Corporation

Notice Regarding the Determination of Particulars of Stock Options ("Share Remuneration Type Stock Options")

May 23, 2014

Kao Corporation (the "Company" – *Ticker Code:4452*) hereby makes the following announcement: pursuant to the resolution made at the meeting of the Board of Directors held on April 25, 2014 regarding the details concerning the offering of stock acquisition rights (*shinkabu yoyaku ken*) to be issued as stock options to the members of the Board of Directors of the Company and the executive officers of the Company who do not also serve as the Company's members of the Board of Directors ("Company D&O") and the offering of stock acquisition rights to the subscribers of the relevant stock acquisition rights as announced on April 25, 2014 in the "Notice Regarding Allotment of Stock Options ("Share Remuneration Type Stock Options")," the particulars of such stock acquisition rights are determined as follows.

1. The Number of Persons to be Allotted Stock Acquisition Rights and Such Stock Acquisition Rights:

40 stock acquisition rights (each stock acquisition right will be 1,000 shares) for 29 Company D&O

Details: Members of the Board of Directors of the Company

6 persons 12 stock acquisition rights

Executive Officers of the Company who do not also Serve as the Company's
Members of the Board of Directors

23 persons 28 stock acquisition rights

2. Type and Number of Shares to be Delivered upon Exercise of Stock Acquisition Rights Allotted to Company D&O:

40,000 shares of the Company's common stock

3. Paid-in Amount for Stock Acquisition Rights:

Per stock acquisition right	3,808,000 yen
Per share	3,808 yen

The payment due for such paid-in amount shall be set off against an equivalent amount of the Company D&O's remuneration to be paid by the Company.

4. Total Amount of the Aggregate Paid-in Amount for Stock Acquisition Rights and the Aggregate Value of Assets Contributed upon Exercise of Stock Acquisition Rights:

152,360,000yen

Reference:

"Notice Regarding Allotment of Stock Options ("Share Remuneration Type Stock Options")"
dated April 25, 2014

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