

Kao Corporation

Notice Regarding Voluntary Adoption of International Financial Reporting Standards (IFRS)

July 29, 2014

Kao Corporation (“the Company” – *Ticker Code:4452*) hereby makes the following announcement: the Board of Directors, at the meeting of the Board of Directors held on the date hereof, resolved to voluntarily adopt International Financial Reporting Standards (“IFRS”) for its consolidated financial results from the fiscal year ending December 2016.

The Company has decided that standardizing accounting standards within the Kao Group will help to improve the quality of Group business management, and will voluntarily adopt IFRS throughout the Kao Group.

The Company will adopt IFRS from the first quarter of the fiscal year ending December 2016, which is the fiscal year following the end of Kao Group Mid-term Plan 2015 (K15).

With the adoption of IFRS, which enables the Company to manage every Group company and business based on standardized procedures and information, the Company intends to reinforce its management base to increase its corporate value as a global company. In addition, the Company believes that this adoption contributes to the improvement of international comparability of financial statements in capital markets.

Media inquiries should be directed to:

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