

Kao Corporation

Notice Regarding Dividends of Surplus

February 4, 2015

Kao Corporation (the “Company”– *Ticker Code: 4452*) announces that its Board of Directors resolved to distribute dividends of surplus as described below, at the meeting of the Board of Directors held on the date hereof.

These dividends of surplus will be officially decided by relevant resolutions at the Company’s Annual General Meeting of Shareholders, which is scheduled to be held on March 25, 2015.

1. Details of Dividends

	Dividend for FY2014, ended December 31, 2014	Most recent dividend forecast (Published on October 28, 2014)	Dividend for FY2013, ended December 31, 2013
Record date	December 31, 2014	December 31, 2014	December 31, 2013
Dividend per share	36.00 yen	34.00 yen	32.00 yen
Total amount of dividends	18,059 million yen	-	16,407 million yen
Effective date	March 26, 2015	-	March 31, 2014
Source of dividends	Profit Surplus	-	Profit Surplus

2. Reason for the Dividend Amount

In order to achieve profitable growth, the Company secures an internal reserve for capital investments and acquisitions from a medium-to-long-term management perspective and places priority on providing shareholders with stable and continuous dividends.

In accordance with these policies, the Company plans to increase the year-end dividend for the fiscal year that ended on December 31, 2014 by 4.00 yen per share compared with the previous fiscal year to 36.00 yen per share partly to reflect net income that exceeded the forecast for the fiscal year.

[Reference: Details of Dividends Through the Fiscal Year]

	Dividend per share (yen)		
Record date	End of First Half	End of Fiscal Year	Total
Dividends for FY2014	34.00 yen (Paid)	36.00 yen	70.00 yen
Dividends for FY2013(Paid)	32.00 yen	32.00 yen	64.00 yen

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