

# Kao Corporation

## Notice Regarding Partial Amendments to the Articles of Incorporation

February 19, 2015

Kao Corporation (the “Company”– *Ticker Code:4452*) announces that its Board of Directors, at the meeting of the Board of Directors held on the date hereof, resolved that the proposal to make the partial amendments to the Articles of Incorporation be made to the shareholders at the 109<sup>th</sup> Annual General Meeting of Shareholders to be held on March 25, 2015.

### 1. Reasons for the Amendments

- (1) In connection with the transfer of the insurance agency services which a subsidiary of the Company had been engaged in, it is proposed that necessary amendments be made to Article 2, Item 5 of the current Articles of Incorporation.
- (2) In connection with the expansion of the scope of parties with whom the Company may enter into liability limitation agreements pursuant to the Act on Partial Revision of the Corporation Law, promulgated on June 27, 2014 (Law No. 90 of 2014; the “Revised Corporation Law”), it is proposed that necessary amendments be made to Article 24, Paragraph 2 and Article 28, Paragraph 2 of the current Articles of Incorporation. In addition, due to the Revised Corporation Law coming into force on May 1, 2015, it is proposed that supplementary provisions be added to the current Articles of Incorporation. The Company has obtained the consent of all Audit & Supervisory Board Members to submit, to the AGM, the proposal for partial amendment to Article 24, Paragraph 2 of the current Articles of Incorporation.

### 2. Details of the Amendments

Details of the amendments are described in the Attachment.

### 3. Schedule

Date of the Annual General Meeting of Shareholders for amendments to the Articles of Incorporation: Wednesday, March 25, 2015

Effective date of the amendments: Wednesday, March 25, 2015

\*The current Article of Incorporation is available on the Company’s website at:  
[http://www.kao.com/jp/en/corp\\_ir/imgs/regulations\\_001.pdf](http://www.kao.com/jp/en/corp_ir/imgs/regulations_001.pdf)

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Attachment:

### Details of the Amendments

The following changes will be made to the current Articles of Incorporation:

(Underlined parts will be changed)

Current Articles of Incorporation (Extracts)	Proposed Amendments
<p><i>(Purposes)</i></p> <p><b>Article 2.</b> The purposes of the Company shall be to engage in the following businesses:</p> <ol style="list-style-type: none"> <li>1. Manufacture and sale of the following products: <ol style="list-style-type: none"> <li>(1) Personal care products such as soap, shampoo, toothpaste and bath additives;</li> <li>(2) Cosmetics such as cream, lipsticks and foundation;</li> <li>(3) Household products such as detergents, bleach, fabric softener, starch and home cleaning products;</li> <li>(4) Hygiene products such as sanitary napkins and disposable diapers;</li> <li>(5) Foodstuffs, food additives and beverages;</li> <li>(6) Paper, packing and packaging materials, goods for daily use, and clothing;</li> <li>(7) Pet foods and pet care products;</li> <li>(8) Pharmaceuticals, quasi-pharmaceuticals, medical equipment, pharmaceuticals and quasi-pharmaceuticals for animals, agricultural chemicals, fertilizers, feed, reagents and chemicals;</li> <li>(9) Chemical products such as oleo chemical products and their derivatives, surface active agents, high molecular compounds, enzymes, fragrances and flavors; and</li> <li>(10) Information technology equipment and home electrical appliances.</li> </ol> </li> <li>2. Provision of information and services and guidance in relation to hygienic, beauty and health care, and training of technicians and management of facilities for the same;</li> <li>3. Development and sale of information systems, and services related to information processing and communication;</li> <li>4. Cargo transportation via trucking, utilization of freight forwarding and warehousing business;</li> <li>5. Sale, purchase, lease and management of real estate, <u>insurance agency services</u> and travel business;</li> </ol>	<p><i>(Purposes)</i></p> <p><b>Article 2.</b> The purposes of the Company shall be to engage in the following businesses:</p> <ol style="list-style-type: none"> <li>1. Manufacture and sale of the following products: <ol style="list-style-type: none"> <li>(1)</li> <li>(2)</li> <li>(3)</li> <li>(4)</li> <li>(5)</li> <li>(6)</li> <li>(7)</li> <li>(8)</li> <li>(9)</li> <li>(10)</li> </ol> </li> <li>2.</li> <li>3.</li> <li>4.</li> <li>5. Sale, purchase, lease and management of real estate and travel business;</li> </ol> <p>(Unchanged)</p>

Current Articles of Incorporation (Extracts)	Proposed Amendments
<p>6. Operation of training institute and accommodations;</p> <p>7. Worker dispatching business;</p> <p>8. Disposal of disused items by the Company and its subsidiaries and affiliates;</p> <p>9. Design, development and production of machinery, equipment, systems and computer software related to each of the above items, and sale and consultation of the related technologies;</p> <p>10. Import and export of raw materials, products and by-products related to each of the above items; and</p> <p>11. All other business activities incidental to the foregoing.</p> <p><i>(Limitation of Directors' Liabilities)</i>  <b>Article 24.</b> The Company may, by resolution of the Board of Directors and if it considers particularly necessary, limit the liabilities of a Director (including a former Director) in respect of his/her liabilities under Article 423.1 of the Corporation Law; provided that such Director must have acted in good faith and without gross negligence in performing his/her duties and provided that such limitation of the liabilities will be in accordance with the parameters set forth in applicable laws and regulations. In making its determination, the Board of Directors must take into account the matter giving rise to such liabilities, and examine the standard of conduct of the Director and other circumstances.</p> <p>2. The Company may enter into an agreement with each of the <u>Outside Directors</u> to the effect that any liability of such <u>Outside Director</u> under Article 423.1 of the Corporation Law shall be limited to the higher of (i) a prescribed amount that is no less than and including ten (10) million yen, or (ii) an amount set by applicable laws and regulations; provided that such <u>Outside Director</u> must have acted in good faith and without gross negligence in performing his/her duties.</p>	<p>6. }</p> <p>7. }</p> <p>8. }</p> <p>9. }</p> <p>10. }</p> <p>11. }</p> <p>(Unchanged)</p> <p><i>(Limitation of Directors' Liabilities)</i>  <b>Article 24.</b> (Unchanged)</p> <p>2. The Company may enter into an agreement with each of the <u>Directors (excluding Executive Directors and the like)</u> to the effect that any liability of such <u>Director</u> under Article 423.1 of the Corporation Law shall be limited to the higher of (i) a prescribed amount that is no less than and including ten (10) million yen, or (ii) an amount set by applicable laws and regulations; provided that such <u>Director</u> must have acted in good faith and without gross negligence in performing his/her duties.</p>

Current Articles of Incorporation (Extracts)	Proposed Amendments
<p data-bbox="209 483 774 539"><i>(Limitation of Audit &amp; Supervisory Board Members' Liabilities)</i></p> <p data-bbox="209 539 774 1070"><b>Article 28.</b> The Company may, by resolution of the Board of Directors and if it considers particularly necessary, limit the liabilities of an Audit &amp; Supervisory Board Member(including a former Audit &amp; Supervisory Board Member) in respect of his/her liabilities under Article 423.1 of the Corporation Law; provided that such Audit &amp; Supervisory Board Member must have acted in good faith and without gross negligence in performing his/her duties and provided that such limitation of the liabilities will be in accordance with the parameters set forth in applicable laws and regulations. In making its determination, the Board of Directors must take into account the matter giving rise to such liabilities, and examine the standard of conduct of the Audit &amp; Supervisory Board Member and other circumstances.</p> <p data-bbox="209 1104 774 1473">2. The Company may enter into an agreement with each of the <u>Outside Audit &amp; Supervisory Board Members</u> to the effect that any liability of such <u>Outside Audit &amp; Supervisory Board Members</u> under Article 423.1 of the Corporation Law shall be limited to the higher of (i) a prescribed amount that is no less than and including ten (10) million yen, or (ii) an amount set by applicable laws and regulations; provided that such <u>Outside Audit &amp; Supervisory Board Members</u> must have acted in good faith and without gross negligence in performing his/her duties.</p> <p data-bbox="403 1507 576 1541">(New provision)</p>	<p data-bbox="774 483 1337 539"><i>(Limitation of Audit &amp; Supervisory Board Members' Liabilities)</i></p> <p data-bbox="774 539 1337 573"><b>Article 28.</b> (Unchanged)</p> <p data-bbox="774 1104 1337 1473">2. The Company may enter into an agreement with each of the <u>Audit &amp; Supervisory Board Members</u> to the effect that any liability of such <u>Audit &amp; Supervisory Board Members</u> under Article 423.1 of the Corporation Law shall be limited to the higher of (i) a prescribed amount that is no less than and including ten (10) million yen, or (ii) an amount set by applicable laws and regulations; provided that such <u>Audit &amp; Supervisory Board Members</u> must have acted in good faith and without gross negligence in performing his/her duties.</p> <p data-bbox="879 1507 1233 1541"><b>SUPPLEMENTARY PROVISION</b></p> <p data-bbox="774 1541 1337 1720"><u>The amendments to Article 24, Paragraph 2 and Article 28, Paragraph 2 shall take effect on May 1, 2015, and the current provisions shall apply as previously, until such amendment takes effect. This Supplementary Provision shall be deleted after the amendments above take effect.</u></p>