

Kao Corporation

Notice Regarding Dividends of Surplus

February 3, 2016

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, 2016.

1. Details of Dividends

| | Dividend for FY2015, ended December 31, 2015 | Most recent dividend forecast (Published on October 23, 2015) | Dividend for FY2014, ended December 31, 2014 |
|------------------------------------|--|--|--|
| Record date | December 31, 2015 | December 31, 2015 | December 31, 2014 |
| Dividend per share | 42.00 yen | 38.00 yen | 36.00 yen |
| Total amount of dividends | 21,085 million yen | - | 18,059 million yen |
| Effective date | March 28, 2016 | - | March 26, 2015 |
| 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, 2015 by 6.00 yen per share compared with the previous fiscal year to 42.00 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 FY2015 | 38.00 yen (Paid) | 42.00 yen | 80.00 yen |
| Dividends for FY2014(Paid) | 34.00 yen | 36.00 yen | 70.00 yen |

For further information, please contact:

Mitsuhiro Watanabe

Vice President

Investor Relations

Tel: +81-3-3660-7101

Fax: +81-3-3660-8978

E-mail: ir@kao.co.jp