

<Major Update History on Corporate Governance Report>

(After July 1, 2015 when the Company disclosed the report based on the Corporate Governance Code.)

Date Updated	Major Update History Information	Corresponding Articles in the Report
8/13/2019	Status of major shareholders is updated to as of June 30, 2019.	"Status of Major Shareholders" in "2. Capital Structure" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Corporate governance structure is updated.	Corporate Governance Structure
3/26/2019	Explanations on the appointment of Directors, Audit & Supervisory Board Members is updated.	"9 Explanations with Respect to Individual Nominations and Appointments of Directors, Audit & Supervisory Board Members and Senior Management, and Status of Concurrent Duties of Outside Directors and Outside Audit & Supervisory Board Members" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in "I. Basic View on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Status of Appointment of Independent Directors and Audit & Supervisory Board Members are updated.	"10 Details of Current Efforts to Effectively Use Independent Directors and Audit & Supervisory Board Members, etc." in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in "I. Basic View on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Status of cross-shareholdings is updated.	"15 Policies for Cross-Shareholdings and Standards for Exercise of Voting Rights" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Supplementary information of major shareholders is updated.	Supplementary Information of 【Status of Major Shareholders】 in "2. Capital Structure" in "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	"Directors", "Independent Directors/Audit & Supervisory Board Members", "Directors Remuneration" (the maximum aggregate amount of remuneration to be paid to Audit & Supervisory Board Members) are updated.	"1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	"Outline of the Current Corporate Governance Structure" and "Activity for strengthening the auditing function of the Audit & Supervisory Board Members" are updated.	"2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Information on Outside Directors is updated.	"3. Reasons for Adoption of Current Corporate Governance System" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	"Delegation of Powers of the General Meeting of Shareholders to the Board of Directors" is updated.	"Other" in "1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights" in "III. Implementation of Measures for Shareholders and Other Stakeholders"

	"Posting IR Materials on Website", "Establishment of Department and/or Manager in Charge of IR" and "Other" are updated.	"2. IR Activities" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
	"Implementation of Environmental Activities, CSR Activities, etc." and "Other" are updated.	"3. Measures to Ensure Due Respect for Stakeholders" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
	Corporate governance structure is updated.	Corporate Governance Structure
2/22/2019	Evaluation of effectiveness of the Board of Directors conducted by Directors and Audit & Supervisory Board Members and Evaluation of effectiveness of the Audit & Supervisory Board are updated.	"11. Analysis and evaluation of effectiveness of the Board of Directors taken as a whole and summary of the results thereof" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Status of major shareholders as of December 31, 2018 is updated.	"Status of Major Shareholders" in "2. Capital Structure" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Director remuneration as of FY2018 is updated.	[Director remuneration] in "1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Remuneration's calculation methods updated.	[Director remuneration] Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods
	Number of CPAs engaged in the audit, etc. is updated.	"2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Date of the dispatch of the convocation notice for the annual general meeting of shareholders, etc. is updated.	"Early Notification of General Shareholder Meeting" in "1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
	Basic policy regarding the internal control system and operation of internal control system for FY 2018 are updated.	"1. Basic Views on Internal Control System and Progress of System Development" in "IV. Matters Related to the Internal Control System"
	Corporate governance structure is updated.	Corporate Governance Structure
	Basic views are updated.	"1. Basic Views" and "4. (1) Basic Position on Corporate Governance" in I Basic Views on Corporate Governance Capital Structure, Corporate Profile and Other Basic Information
	Promoting communications with shareholders is updated.	"(6) Promoting Communications with Shareholders" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Basic strategy for capital policy is updated.	"(7) Basic Strategy for Capital Policy" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"

8/30/2018

Process of succession plan for CEO is disclosed.	"6. Policy on Nomination of Director and Audit & Supervisory Board Member Candidates and Senior Management" in "4. Basic position and policy on corporate governance" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in " I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
Diversity of the Board of Directors is updated.	"7. Stance on Balance among Knowledge, Experience and Skills, and on Diversity and Size of the Board of Directors" in "4. Basic position and policy on corporate governance" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in " I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
Dismissal procedures of Director, Audit & Supervisory Board Member and Senior Management are updated.	"8. Procedures for the Nomination and Dismissal of Director and Audit & Supervisory Board Member and the Appointment and Dismissal of Senior Management" in "4. Basic position and policy on corporate governance" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in " I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
Communication and cooperation among Independent Directors, Audit & Supervisory Board Members and Management is updated.	"10. (3) Communication and Cooperation among Independent Directors, Audit & Supervisory Board Members and Management" in "4. Basic position and policy on corporate governance" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in " I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
Outline of long term incentive is updated.	"13 Policy and Procedures for Determining Remuneration for Members of the Board and Senior Management" in "4. Basic position and policy on corporate governance" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in " I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" and "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in 1. Organizational Composition and Operation in II Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
Policies for cross-shareholdings is updated.	"15 Policies for Cross-Shareholdings and Standards for Exercise of Voting Rights" in "4. Basic position and policy on corporate governance" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in " I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"

	Roles of corporate pension funds as asset owners is disclosed.	"16 Roles of Corporate Pension Funds as Asset Owners" in "4. Basic position and policy on corporate governance" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Status of major shareholders is updated to as of June 30, 2018.	"Status of Major Shareholders" in "2. Capital Structure" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Posting videos from annual general meeting of shareholders is disclosed.	"Other" in "2. IR Activities" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
	Measures aimed at individual shareholders is updated.	"Other" in "2. IR Activities" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
	Promoting distinctive ESG initiatives are disclosed.	"Implementation of Environmental Activities, CSR, etc." in 3 Measures to Ensure Due Respect for Stakeholders
	Operation of internal control system is disclosed.	"2) Operation of Internal Control System for FY2017" in IV Matters related to the Internal Control System
	Corporate governance structure is updated.	Corporate Governance Structure
3/23/2018	Details of current efforts regarding cross-shareholdings is updated.	"15. Policies for Cross-Shareholdings and Standards for Exercise of Voting Rights" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Directors, Audit & Supervisory Board Members, Independent Directors/Audit & Supervisory Board Members are updated.	"1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Outline of the Current Corporate Governance Structure is updated.	"2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions" in II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management
	Presentation and publican of disclosure policy is updated.	"2. IR activities" in "III. Implementation of Measures for Shareholders and Other Stakeholders "Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Measures to promote the active participation of women is updated.	"Other" in "3. Measures to Ensure Due Respect for Stakeholders" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
3/1/2018	Evaluation of effectiveness of the Audit & Supervisory Board is updated.	"11. Analysis and evaluation of effectiveness of the Board of Directors taken as a whole and summary of the results thereof" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Early notification of General Shareholder Meeting is updated.	"Early Notification of General Shareholder Meeting" in "1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights" in "III. Implementation of Measures for Shareholders and Other Stakeholders"

	Measures aimed at individual shareholders is updated.	"Other" in "2. IR Activities" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
	Measures to promote the health of employees is updated.	"Other" in "3. Measures to Ensure Due Respect for Stakeholders"
2/21/2018	Basic views are updated.	I. Basic Views of Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information
	Evaluation of effectiveness of the Board of Directors conducted by Members of the Board of Directors and Audit & Supervisory Board Members is updated.	"11. Analysis and evaluation of effectiveness of the Board of Directors taken as a whole and summary of the results thereof" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in " I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Status of major shareholders as of December 31, 2017 is updated.	"Status of Major Shareholders" in "2. Capital Structure" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Director remuneration as of FY2017 is updated.	[Director remuneration] in"1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Remuneration's calculation methods updated.	[Director remuneration] Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods
	Name of the CPAs engaged in the audit, etc. is updated.	"2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Date of the dispatch of the convocation notice for the annual general meeting of shareholders, etc. is updated.	"Early Notification of General Shareholder Meeting" in "1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
	Received the "Grand Prize Company" for FY 2017.	"Other " in "3. Measures to Ensure Due Respect for Stakeholders"
8/9/2017	Status of major shareholders as of December 31, 2017 is updated.	"Status of Major Shareholders" in "2. Capital Structure" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Published integrated report is disclosed.	"Other" in "2. IR Activities"
	Measures to promote the health of employees are updated.	"Other" in "3. Measures to Ensure Due Respect for Stakeholders"
	Basic strategy for capital policy is updated.	"(7) Basic Strategy for Capital Policy" in "4. Basic position and policy on corporate governance" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in " I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Evaluation of effectiveness of the Audit & Supervisory Board is updated.	"11. Analysis and evaluation of effectiveness of the Board of Directors taken as a whole and summary of the results thereof" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in " I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"

3/21/2017	Details of current efforts regarding cross-shareholdings is updated.	"15. Policies for Cross-Shareholdings and Standards for Exercise of Voting Rights" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Directors, Audit & Supervisory Board Members, Independent Directors/Audit & Supervisory Board Members are updated.	"1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Director remuneration, incentives are updated.	"1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Measures to promote the active participation of women is updated.	"Other" in "3. Measures to Ensure Due Respect for Stakeholders" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
2/17/2017	Status of major shareholders as of December 31, 2016 is updated.	"Status of Major Shareholders" in "2. Capital Structure" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Director remuneration as of FY2016 is updated.	【Director remuneration】 in "1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Name of the CPAs engaged in the audit, etc. is updated.	"2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Date of the dispatch of the convocation notice for the annual general meeting of shareholders, etc. is updated.	"Early Notification of General Shareholder Meeting" in "1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
12/20/2016	"Disclose Business Plans" is deleted from 【Reasons for Non-compliance with the Principles of the Corporate Governance Code】	【Reasons for Non-compliance with the Principles of the Corporate Governance Code】 in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Long-term business strategy and mid-term business plan are updated in accordance with the establishment of the Kao Group Mid-term Plan 2020 (K20) .	"2. Long-term Business Strategy" and "3. Mid-term business plan" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
8/5/2016	Evaluation of effectiveness of the Board of Directors conducted by Members of the Board of Directors and Audit & Supervisory Board Members is updated.	"11. Analysis and evaluation of effectiveness of the Board of Directors taken as a whole and summary of the results thereof" in 【Disclosure Based on the Principles of the Corporate Governance Code】 in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"

	Status of major shareholders as of 30-Jun-16 is updated.	"Status of Major Shareholders" in "2. Capital Structure" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
3/25/2016	Evaluation of effectiveness of the Audit & Supervisory Board is disclosed.	"11. Analysis and evaluation of effectiveness of the Board of Directors taken as a whole and summary of the results thereof" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Details of current efforts regarding cross-shareholdings is disclosed.	"15. Policies for Cross-Shareholdings and Standards for Exercise of Voting Rights" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Directors, Audit & Supervisory Board Members, Independent Directors/Audit & Supervisory Board Members are updated.	"1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Director remuneration, incentives are updated.	"1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Measures to promote the active participation of women is updated.	"Other" in "3. Measures to Ensure Due Respect for Stakeholders" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
2/24/2016	Status of major shareholders as of December 31, 2015 is updated.	"Status of Major Shareholders" in "2. Capital Structure" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Director remuneration as of FY2015 is updated.	[Director remuneration] in "1. Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Name of the CPAs engaged in the audit, etc. is updated.	"2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)" in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management"
	Date of the dispatch of the convocation notice for the annual general meeting of shareholders, etc. is updated.	"Early Notification of General Shareholder Meeting" in "1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
	The Company changed the three items below to [Reasons for Non-compliance with the Principles of the Corporate Governance Code]. (1)The Company is currently formulating a next mid-term plan. (2)Views, issues and other matters of and the external Accounting Auditor and Outside Director are shared through Audit & Supervisory Board Members at the meeting of the Board of Directors.	[Reasons for Non-compliance with the Principles of the Corporate Governance Code] in "1. Basic Views" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"

2/3/2016	(3)To promote unrestricted discussions, ad hoc meetings among Outside Directors are considered more appropriate for such communication than regular meetings scheduled by the Company.	Information
	Basic strategy for capital policy is disclosed.	"(7) Basic Strategy for Capital Policy" in "4. Basic position and policy on corporate governance" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	"Determination of an Appropriate Date for the Annual General Meeting of Shareholders", "Providing Appropriate Information to Shareholders", "Response in the Event a Considerable Number of Votes are Cast against a Proposal by the Company" and "Delegation of Powers of the Annual General Meeting of Shareholders to the Board of Directors" are disclosed.	"Other" in "1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
	Basic policy regarding the internal control system as of January 1, 2016 is updated.	"1. Basic Views on Internal Control System and the Progress of System Development" in "IV. Matters Related to the Internal Control System"
	List of the state of implementation of the Corporate Governance Code is disclosed.	Attached at the end of this report.
10/23/2015	Measures aimed at institutional investors is disclosed.	"Other" in "2. IR Activities" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
	Measures to promote the health of employees is disclosed.	"Other" in "3. Measures to Ensure Due Respect for Stakeholders" in "III. Implementation of Measures for Shareholders and Other Stakeholders"
8/7/2015	Evaluation of effectiveness of the Board of Directors conducted by Outside Directors and the Outside Audit & Supervisory Board Members is updated.	"11. Analysis and evaluation of effectiveness of the Board of Directors taken as a whole and summary of the results thereof" in [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
	Status of major shareholders as of June 30, 2015 is updated.	"Status of Major Shareholders" in "2. Capital Structure" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"
7/1/2015	[Reasons for Non-compliance with the Principles of the Corporate Governance Code] and [Disclosure Based on the Principles of the Corporate Governance Code] are disclosed based on the Corporate Governance Code.	[Reasons for Non-compliance with the Principles of the Corporate Governance Code] and [Disclosure Based on the Principles of the Corporate Governance Code] in "1. Basic View" in "I Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information"