

# Kao Corporation

## Notice Regarding Change in Business Year

October 25, 2011

Kao Corporation (the “Company”) hereby makes the following announcement: the Board of Directors, at the meeting of the Board of Directors held on the date hereof, resolved a change in the Company’s business year, which is subject to approval of a partial amendment to Articles of Incorporation at the 106<sup>th</sup> Annual General Meeting of Shareholders to be held in late June 2012.

1. Reasons for the change

By standardizing the Company’s business year with its overseas consolidated subsidiaries, the Company aims to promote integrated management of global business\* and to further enhance management transparency through timely and accurate disclosure of management information. In addition, the Company, by this standardization, aims to prepare for the International Financial Reporting Standards (IFRS) requirement to unify the business years of the consolidated companies that is under consideration for future implementation.

2. Changing the closing date

At present:	March 31 of every year
After the change:	December 31 of every year

FY2012, a transitional period for the change in the business year, will cover nine months from April 1, 2012 to December 31, 2012.

The same change in the business year will be applied to the Company’s consolidated subsidiaries, whose current closing date is other than December 31 of every year.

3. Future outlook

The company will announce the forward-looking business results for FY2012 in the FY2011 Business Results to be disclosed in April 2012.

\*Regarding the Company’s integrated management of global business, please refer to “Kao Integrates Beauty Care Management in North America and Europe” which was released today.

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