

Summary of Consolidated Business Results for the Nine Months Ended December 31, 2007

Tokyo, January 23, 2008 — Kao Corporation today announced its consolidated business results for the nine months ended December 31, 2007, the third quarter of the year ending March 31, 2008. The following summary of the business results that Kao submitted to the Tokyo Stock Exchange is unaudited and for reference only.

Ticker code: 4452

Consolidated Financial Highlights (Unaudited)

	(Millions of yen, millions of U.S. dollars, except per share data)				Fiscal 2006, ended March 31, 2007
	Nine months ended December 31			2007	
	2007	2006	Change		
	Yen		%	U.S. Dollars	Yen
Net sales	1,000,114	931,672	7.3	8,761.4	1,231,808
Operating income	96,125	98,152	(2.1)	842.1	120,858
Ordinary income	95,527	98,559	(3.1)	836.9	120,176
Net income	53,696	57,724	(7.0)	470.4	70,527
Total assets	1,247,648	1,244,621	0.2	10,929.9	1,247,797
Total net assets	584,640	553,153	5.7	5,121.7	574,751
Net worth/total assets	46.0%	43.7%	-	-	45.2%
Net worth per share (yen/US\$)	1,061.70	997.86	6.4	9.30	1,035.66
Net income per share (yen/US\$)	98.60	105.92	(6.9)	0.86	129.41
Net income per share, diluted (yen/US\$)	98.49	105.83	(6.9)	0.86	129.29
	Yen			U.S. Dollars	Yen
Net cash provided by operating activities	125,324	116,368	-	1,097.9	164,977
Net cash used in investing activities	(36,996)	(47,979)	-	(324.1)	(63,227)
Net cash used in financing activities	(71,030)	(58,917)	-	(622.3)	(83,665)
Cash and cash equivalents at end of period	104,462	78,146	-	915.1	88,154

Notes:

1. U.S. dollar amounts represent translations using the approximate exchange rate on December 28, 2007, of yen 114.15=US\$1, and are presented solely for the convenience of readers.
2. Yen amounts are rounded down to the nearest million.
3. Simplified accounting treatment is adopted partially with respect to the standards for the accounting of liability for employee retirement benefits.
4. Change in accounting treatment: Business segments in both Sales Composition and Segment Information by Business have been changed from the beginning of the current fiscal year. Figures for previous periods have been restated to reflect the change.
5. Change in scope of consolidation during the current fiscal year: Kao Cosmetics Sales Co., Ltd. has been removed from the scope of consolidation due to its merger with Kao Hanbai Company, Ltd., which concurrently changed its name to Kao Customer Marketing Co., Ltd.
6. Net worth consists of shareholders' equity and adjustments for valuation, foreign currency translation and others.

Forecast of Consolidated Results for the Year Ending March 31, 2008

(Millions of yen, millions of U.S. dollars, except per share data)

Year ending March 31, 2008

	Yen	Year-on-year	U.S. Dollars
Net sales	1,310,000	+6.3%	11,476.1
Operating income	114,000	(5.7%)	998.7
Ordinary income	111,000	(7.6%)	972.4
Net income	66,000	(6.4%)	578.2
Net income per share (Yen/US\$)	121.52	(6.1%)	1.06
Cash dividend per share	54.00	+3.8%	0.47

Notes:

1. *Except for net income per share, which will change due to share repurchases, the forecast of consolidated results for the fiscal year ending March 31, 2008 remains the same as on October 23, 2007, when Kao announced its interim results.*
2. *Net income per share is computed based on the estimated weighted average number of shares outstanding during the fiscal year. At the meeting held on January 23, 2008, the board of directors of the Company resolved to repurchase the Company's shares pursuant to a provision of the Corporation Law. (Refer to "Notice Regarding Repurchase of the Company's Stock," released on January 23, 2008.) Net income per share in "3. Qualitative Information on Forecast of Consolidated Results"(on page 7 of this release) takes into account the effect of this share repurchase.*
3. *Forecast of annual cash dividend per share is 54.00 yen, which includes the paid interim dividend per share of 27.00 yen.*
4. *U.S. dollar amounts represent translations using the approximate exchange rate on December 28, 2007, of yen 114.15=US\$1, and are presented solely for the convenience of readers.*

Forward-Looking Statements

This release contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of release. Certain factors, which include, but are not limited to, the risks and uncertainty associated with the worldwide economy, competitive activity, and fluctuations in currency exchange and interest rates, could cause actual results to differ materially from expectations.

For further information, please contact:

Katsuya Fujii

Vice President

Investor Relations

Tel: +81-3-3660-7101 / Fax: +81-3-3660-8978

E-mail: ir@kao.co.jp

Qualitative Information and Financial Statements

1. Qualitative Information on Consolidated Business Results

During the nine months ended December 31, 2007, consolidated net sales rose 7.3% compared with the same period a year earlier to 1,000.1 billion yen, with generally solid performance due to the contribution of new products and other factors. In addition, Kanebo Cosmetics was included in consolidation for the entire nine-month period, compared with eight months in the same period of the previous fiscal year. Excluding the positive effect of currency translation, net sales would have increased 5.4%. Profits were significantly affected by rising prices for raw materials, mainly natural oils and fats and petrochemicals, but Kao stepped up efforts including launches of new high-value-added products, price adjustments for chemical products, and cost reduction activities. As a result, Kao was able to limit the decline in operating income, which decreased 2.0 billion yen from the same period of the previous fiscal year to 96.1 billion yen.

EBITDA (defined as the sum of operating income and depreciation and amortization) was essentially unchanged from the same period of the previous fiscal year at 165.2 billion yen, a decrease of 0.1 billion yen.

The translation rates of major foreign currencies used to calculate income and expenses for consolidated subsidiaries and other companies outside Japan for the period were one U.S. dollar to 119.27 yen and one euro to 160.98 yen.

Summary of Results by Business Segment

The Kao Group's main market of Japan is undergoing dynamic shifts due to societal changes including the declining birthrate, aging population, later marriage and increase in single households, in addition to changes in consumers' product selection and purchasing attitudes, and associated changes in retailing. In order to respond to these changes and to quickly and forcefully implement its consumer-driven growth strategy, from the beginning of the current fiscal year Kao integrated its former consumer products business and prestige cosmetics business into the Consumer Products Business Segment, which is divided into the three businesses of Beauty Care, Human Health Care and Fabric and Home Care, for a total of four businesses together with the Chemical Business Segment, which comprises the former chemical products business. (See the Appendix for the major products of each business segment.)

Consumer Products Business Segment

Sales increased 5.7% compared with the same period a year earlier to 832.3 billion yen.

In Japan, the Kao Group launched high-value-added new products and extended the product lines of its brands in response to changes in various consumer values. Moreover, Kao reinforced its sales structure by integrating its consumer products and cosmetics (Kao Sofina) sales companies to improve its ability to make comprehensive proposals to retailers, and by building a new business model for in-store merchandising. As a result, sales in Japan increased 5.0% to 668.2 billion yen.

In Asia and Oceania, sales increased 20.5% to 63.7 billion yen due to the contribution of new products and strengthening of joint initiatives with retailers. Excluding the effect of currency translation, sales in Asia and Oceania would have increased 11.6%.

In North America and Europe, where Kao faced greater competition, sales increased 4.3% to 112.6 billion yen. Excluding the effect of currency translation, sales in North America and Europe would have decreased 1.8%.

Operating income was 80.1 billion yen, essentially unchanged from the same period a year earlier. Although profits were affected by rising prices for raw materials, mainly natural oils and fats and petrochemicals, new products contributed to sales growth in Japan and overseas, and Kao continued its cost reduction activities.

Beauty Care Business

Sales increased 7.8% compared with the same period a year earlier to 464.8 billion yen.

Sales in Japan increased 8.7% to 335.0 billion yen. Sales of prestige cosmetics rose on the strong performance of counseling brands such as *Impress*, *LUNASOL*, and *est*, and self-selection brands such as *KATE* and *EVITA*. In premium skin care products, *Bioré* facial cleanser/makeup remover, the *Bioré U* brand, which added new *Bioré U Moisturizing Milk*, and *Curél* for sensitive skin sold well. Sales of premium hair care products grew substantially with the addition of special care products to the product line of *Segreta*, a new hair care brand, and good performance by *Asience*, which was re-launched combining Kao's hair beautifying technology with its Asian beauty care approach. Kao also added new products to hairstyling brands such as *Liese* and *Cape*.

Sales in Asia and Oceania increased significantly. Prestige cosmetics aggressively expanded business, centered on the retail channels of department stores and high-end drugstores in China. Sales of *Bioré* facial cleansers were strong, mainly in Taiwan and Indonesia, while *Asience Moisture Balance* shampoo/conditioner was added to the *Asience* brand in Taiwan and Hong Kong.

Sales in North America and Europe decreased slightly from the same period of the previous fiscal year, excluding the effect of currency translation. *Jergens*, *Curél* and other premium skin care brands launched new products. In premium hair care products, *John Frieda* performed well in Europe, backed by the launch of new and improved products, but U.S. sales were sluggish, impacted by intensifying competition. Sales of the *Molton Brown* brand grew substantially, with strong performance mainly in the U.K. market.

Operating income decreased 0.9 billion yen compared with the same period a year earlier to 17.8 billion yen due in part to strategic investment in marketing for future growth.

Human Health Care Business

Sales increased 4.4% compared with the same period a year earlier to 149.4 billion yen.

In Japan, sales increased 3.0% to 137.1 billion yen. In food and beverage products, as part of its efforts to attract new customers, Kao extended the *Healthya* healthy drink brand lineup with *Healthya Green Tea Mellow Flavor*, which limits the bitter and astringent taste of *Healthya Green Tea*. However, sales decreased. In sanitary products, sales of baby diapers increased with continued consumer support due to marketing activities emphasizing their increased gentleness on the skin. Sales of personal health products increased substantially with the launches of concentrated and effervescent *Bub* bath additives and *Megurism Steam Eye Mask*, and the addition of *Success Medicated Shampoo with Double Conditioning Effects*, a new product in the *Success Medicated Shampoo* lineup.

In Asia, overall sales expanded as *Laurier* sanitary napkins sold strongly in Thailand, Malaysia, China and other countries.

Operating income increased 1.5 billion yen compared with the same period a year earlier to 12.9 billion yen, mainly due to higher sales.

Fabric and Home Care Business

Sales increased 2.3% compared with the same period a year earlier to 218.0 billion yen.

In Japan, sales increased 0.4% to 196.0 billion yen. In fabric care products, Kao launched *Style Fit* laundry detergent and fabric softener to fit consumers' busy lifestyles. However, in the laundry detergent category, while the decline in retail prices appears to be bottoming out, sales were flat as market competition remained severe. Sales of home care products, including *CuCute Power Gel*, a new detergent for dishwashers, and *Quickle Wiper Handy*, a household duster kit, increased.

Sales in Asia and Oceania increased substantially. In Thailand, Kao added *Attack Soft Plus* to strong-selling laundry detergent *Attack Easy*, and in China, Kao is realizing the benefits of its measures to reinforce its sales structure.

Operating income was essentially unchanged from the same period a year earlier at 49.2 billion yen, as sales growth and other factors offset the impact of higher raw material prices.

Chemical Business Segment

Kao continued to work to further enhance the Chemical business globally and locally with distinctive products that meet customer needs. As a result, sales increased 16.7% compared with the same period a year earlier to 194.8 billion yen. Kao worked to adjust sales prices for both oleo chemicals and performance chemicals in response to rising prices of natural oils and fats and petrochemicals.

In Japan, sales increased 10.2% to 97.3 billion yen. In oleo chemicals, fatty alcohols and fatty amines posted strong sales. In performance chemicals, sales of plastics additives and superplasticizers for concrete admixtures increased. In specialty chemicals, while sales of cleaners for electronic parts

were affected by inventory adjustments in their target industries, sales of polishing agents for hard disks and ink and colorants for inkjet printers increased.

In Asia, sales increased 34.4% compared with the same period a year earlier to 54.3 billion yen. Excluding the effect of currency translation, sales would have increased 24.9%. Sales of fatty alcohols increased substantially, as sales volume increased due to production capacity expansion at a plant in the Philippines to meet growing demand, while Kao worked to adjust sales prices.

In North America and Europe, sales increased 19.7% compared with the same period a year earlier to 73.7 billion yen. Excluding the effect of currency translation, sales would have increased 10.8%. Fatty alcohols, fatty amines and toner and toner binder for copiers and printers performed well.

Operating income was 15.7 billion yen, a decrease of 2.4 billion yen from the same period a year earlier, despite Kao's efforts to adjust sales prices and reduce costs amid rising raw material prices.

2. Qualitative Information on Consolidated Financial Condition

Total assets were essentially unchanged from the previous fiscal year-end, at 1,247.6 billion yen. The main factors increasing assets were notes and accounts receivable related to the increase in sales and inventories, which grew with the impact of higher raw material prices. The main factor decreasing assets was the progress in amortization of intangible assets such as intellectual property rights and goodwill.

Total liabilities decreased 10.0 billion yen from the previous fiscal year-end to 663.0 billion yen. The main factors increasing liabilities were notes and accounts payable, accrued expenses and accrued income taxes, while the main factor decreasing liabilities was repayment of debt.

Net assets grew 9.8 billion yen compared with the previous fiscal year-end to 584.6 billion yen. The main factor increasing net assets was net income, and the main factor decreasing net assets was shareholder returns through such methods as cash dividends and share repurchases. As a result, the net worth* ratio increased to 46.0% from 45.2% at the previous fiscal year-end.

**Net worth consists of shareholders' equity and adjustments for valuation, foreign currency translation and others.*

Net cash provided by operating activities totaled 125.3 billion yen. The main factors were 94.1 billion yen in income before income taxes and minority interests, depreciation and amortization of 69.1 billion yen and a 4.2 billion yen increase in trade payables on one hand, and on the other a 13.9 billion yen increase in trade receivables, an 11.3 billion yen increase in inventories and 27.1 billion yen in income taxes paid.

Net cash used in investing activities was 36.9 million yen, consisting primarily of purchase of property, plant and equipment and increase in intangible assets amounting to 31.5 billion yen.

Net cash used in financing activities was 71.0 billion yen. This primarily consisted of a 27.9 billion

yen decrease in debt, repurchases of the Company's stock totaling 15.8 billion yen recorded as purchase of treasury stock, and 28.3 billion yen in payments of cash dividends.

As a result, the balance of cash and cash equivalents at December 31, 2007 was 104.4 billion yen, an increase of 16.3 billion yen from the end of the previous fiscal year.

3. Qualitative Information on Forecast of Consolidated Results

Kao's results for the first three quarters progressed steadily toward achievement of the fiscal year forecast. However, the continuing rise in prices of raw materials, including natural oils and fats and petrochemicals, is causing uncertainty. In order to offset the impact of these rising prices, Kao will continue to work to expand sales and improve cost efficiency as it aims to achieve its previously announced forecasts.

As a result, except for net income per share, which will change due to share repurchases, the forecast of consolidated results for the fiscal year ending March 31, 2008 remains the same as on October 23, 2007, when Kao announced its interim results.

[Appendix]

Major Products by Business Segment

Business Segment		Major Products	
Consumer products business	Beauty care business	Prestige cosmetics	Counseling cosmetics, self-selection cosmetics
		Premium skin care products	Soaps, facial cleansers, body cleansers
		Premium hair care products	Shampoos, conditioners, hair care products, hair coloring agents
	Human health care business	Food and beverage products	Cooking oils, beverages
		Sanitary products	Sanitary napkins, baby diapers
		Personal health products	Bath additives, oral care products, men's products
	Fabric and home care business	Fabric care products	Laundry detergents, fabric treatments
		Home care products	Kitchen cleaning products, house cleaning products, paper cleaning products, commercial-use products
Chemical business	Oleo chemicals	Fatty alcohols, fatty amines, fatty acids, glycerin, commercial-use edible fats and oils	
	Performance chemicals	Surfactants, plastics additives, superplasticizers for concrete admixtures	
	Specialty chemicals	Toner and toner binder for copiers and printers, ink and colorants for inkjet printers, fragrances and aroma chemicals	

Major Products of Former Business Segments

Business Segment	Product Category	Major Products
Consumer products business	Personal care products	Soaps, facial cleansers, body cleansers, shampoos, conditioners, hair care products, hair coloring agents, bath additives, oral care products, men's products
	Fabric and home care products	Laundry detergents, kitchen cleaning products, house cleaning products, fabric treatments, paper cleaning products
	Feminine care, baby care and other products	Sanitary napkins, baby diapers, cooking oils, beverages
Prestige cosmetics	Cosmetics	Counseling cosmetics, self-selection cosmetics
Chemical products business	Chemical products	Commercial-use edible fats and oils, fatty acids, fatty alcohols, glycerin, fatty amines, surfactants, polyurethane for shoe soles, plasticizers, toner and toner binder for copiers and printers, fragrances and aroma chemicals

Consolidated Balance Sheets

Millions of yen

	(A) Q3/FY2007 Dec 31, 2007	Composition %	(B) FY2006 Mar 31, 2007	Composition %	Inc/(Dec) (A-B)	Q3/FY2006 Dec 31, 2006	Composition %
Assets							
Current assets	443,661	35.6	402,219	32.2	41,442	395,526	31.8
Cash and time deposits	46,457		49,910		(3,453)	53,971	
Notes and accounts receivable - trade	172,223		158,497		13,725	163,482	
Short-term investments	54,442		36,247		18,194	22,180	
Inventories	123,668		112,114		11,553	108,815	
Other	46,871		45,448		1,422	47,076	
Fixed assets	803,933	64.4	845,518	67.8	(41,584)	849,061	68.2
Tangible assets	280,580		289,016		(8,436)	287,045	
Intangible assets	411,663		442,469		(30,806)	450,628	
Goodwill	243,794		256,326		(12,532)	258,303	
Other	167,869		186,142		(18,273)	192,324	
Investments and other assets	111,690		114,032		(2,342)	111,387	
Deferred assets	52	0.0	58	0.0	(6)	33	0.0
Total assets	1,247,648	100.0	1,247,797	100.0	(148)	1,244,621	100.0
Liabilities							
Current liabilities	327,122	26.2	308,646	24.7	18,475	306,741	24.7
Notes and accounts payable - trade	114,290		110,158		4,132	110,439	
Short-term debt	25,338		21,877		3,461	22,624	
Current portion of long-term debt	22,056		22,062		(5)	22,827	
Accrued expenses	91,377		85,796		5,580	85,170	
Other	74,059		68,751		5,307	65,680	
Long-term liabilities	335,885	26.9	364,399	29.2	(28,513)	384,726	30.9
Bonds	99,996		99,995		0	99,995	
Long-term debt	180,793		211,774		(30,981)	232,690	
Liability for employee retirement benefits	31,782		30,987		794	30,573	
Other	23,314		21,642		1,672	21,467	
Total liabilities	663,007	53.1	673,046	53.9	(10,038)	691,468	55.6
Shareholders' equity	583,554	46.8	573,541	46.0	10,012	560,485	45.0
Common stock	85,424	6.9	85,424	6.9	-	85,424	6.8
Capital surplus	109,603	8.8	109,565	8.8	38	109,572	8.8
Retained earnings	413,389	33.1	388,585	31.1	24,803	375,781	30.2
Treasury stock, at cost	(24,862)	(2.0)	(10,033)	(0.8)	(14,829)	(10,293)	(0.8)
Adjustments for valuation, foreign currency translation and others	(9,484)	(0.8)	(9,010)	(0.7)	(474)	(16,704)	(1.3)
Unrealized gain on available-for-sale securities	3,659	0.3	4,649	0.4	(990)	4,801	0.4
Foreign currency translation adjustments	(13,144)	(1.1)	(13,659)	(1.1)	515	(21,505)	(1.7)
Stock acquisition right	598	0.1	301	0.0	297	301	0.0
Minority interests	9,972	0.8	9,917	0.8	54	9,070	0.7
Total net assets	584,640	46.9	574,751	46.1	9,889	553,153	44.4
Total liabilities and total net assets	1,247,648	100.0	1,247,797	100.0	(148)	1,244,621	100.0

Consolidated Statements of Income

Millions of yen

	(A) Q3/FY2007 Apr '07 - Dec '07	% to net sales	(B) Q3/FY2006 Apr '06 - Dec '06	% to net sales	Inc/(Dec) (A-B)	FY2006 Apr '06 - Mar '07	% to net sales
Net sales	1,000,114	100.0	931,672	100.0	68,441	1,231,808	100.0
Cost of sales	416,622	41.7	377,522	40.5	39,100	503,271	40.9
Gross profit	583,492	58.3	554,150	59.5	29,341	728,536	59.1
Selling, general and administrative expenses	487,366	48.7	455,997	49.0	31,369	607,678	49.3
Operating income	96,125	9.6	98,152	10.5	(2,027)	120,858	9.8
Non-operating income	4,828	0.5	4,664	0.5	164	6,273	0.5
Interest and dividend income	2,316		1,640		675	2,297	
Equity in earnings of nonconsolidated subsidiaries and affiliates	63		-		63	-	
Foreign currency exchange gain	125		391		(265)	504	
Other	2,323		2,632		(308)	3,471	
Non-operating expenses	5,426	0.5	4,258	0.4	1,167	6,955	0.5
Interest expense	4,700		3,265		1,434	5,032	
Equity in losses of nonconsolidated subsidiaries and affiliates	-		108		(108)	703	
Other	726		884		(158)	1,219	
Ordinary income	95,527	9.6	98,559	10.6	(3,031)	120,176	9.8
Extraordinary income	331	0.0	796	0.1	(465)	1,851	0.1
Extraordinary loss	1,735	0.2	2,221	0.3	(485)	4,900	0.4
Income before income taxes and minority interests	94,123	9.4	97,134	10.4	(3,010)	117,127	9.5
Income taxes	39,557	3.9	38,396	4.1	1,160	45,122	3.7
Minority interests in earnings of consolidated subsidiaries	869	0.1	1,013	0.1	(143)	1,476	0.1
Net income	53,696	5.4	57,724	6.2	(4,027)	70,527	5.7

Consolidated Statements of Cash Flows

Millions of yen

	Q3/FY2007 Apr '07 - Dec '07	Q3/FY2006 Apr '06 - Dec '06	FY2006 Apr '06 - Mar '07
Operating activities:			
Income before income taxes and minority interests	94,123	97,134	117,127
Adjustments for:			
Depreciation and amortization	69,163	67,295	92,171
Interest and dividend income	(2,316)	(1,640)	(2,297)
Interest expense	4,700	3,265	5,032
Change in trade receivables	(13,903)	(31,836)	(24,308)
Change in inventories	(11,367)	(1,439)	(3,189)
Change in prepaid pension cost	4,973	(11,801)	(10,163)
Change in trade payables	4,272	12,920	11,315
Change in liability for retirement benefits	781	966	1,219
Other, net	4,426	16,409	21,816
Sub-total	154,853	151,271	208,725
Interest and cash dividends received	2,292	1,916	3,100
Interest paid	(4,713)	(2,706)	(4,578)
Income taxes paid	(27,108)	(34,113)	(42,269)
Net cash provided by operating activities	125,324	116,368	164,977
Investing activities:			
Purchase of marketable securities and investment securities	(2,103)	(631)	(1,638)
Proceeds from the redemption and sales of marketable securities and investment securities	3,097	14	11
Purchase of property, plant and equipment, and intangible assets	(31,596)	(52,332)	(65,470)
Proceeds from sales of property, plant and equipment	751	320	2,078
Change in short-term loans, net	(779)	12,161	11,928
Payments for long-term loans	(1,738)	(762)	(1,550)
Other, net	(4,628)	(6,749)	(8,586)
Net cash used in investing activities	(36,996)	(47,979)	(63,227)
Financing activities:			
Change in debt	(27,953)	(131,049)	(154,319)
Proceeds from bonds	-	99,676	99,676
Purchase of treasury stock	(15,840)	(773)	(1,085)
Payments of cash dividends	(28,333)	(27,423)	(29,146)
Other, net	1,096	652	1,208
Net cash used in financing activities	(71,030)	(58,917)	(83,665)
Translation adjustments on cash and cash equivalents	(988)	1,148	2,542
Net increase (decrease) in cash and cash equivalents	16,308	10,619	20,627
Cash and cash equivalents, beginning of year	88,154	67,527	67,527
Cash and cash equivalents, end of period	104,462	78,146	88,154

Sales Composition

Millions of yen

	Q3/FY2007 Apr '07 - Dec '07	Q3/FY2006 Apr '06 - Dec '06	Growth %	FY2006 Apr '06 - Mar '07
Consumer Products Business				
Beauty Care Business	335,085	308,183	8.7	416,085
Human Health Care Business	137,117	133,123	3.0	170,008
Fabric and Home Care Business	196,055	195,320	0.4	245,255
Total Japan	668,259	636,627	5.0	831,348
Asia and Oceania	63,724	52,880	20.5	72,025
North America and Europe	112,638	108,017	4.3	148,710
Eliminations	(12,269)	(10,135)	-	(14,673)
Total	832,353	787,389	5.7	1,037,411
Chemical Business				
Japan	97,369	88,373	10.2	116,933
Asia	54,369	40,460	34.4	55,830
North America and Europe	73,774	61,619	19.7	82,935
Eliminations	(30,691)	(23,465)	-	(32,089)
Total	194,821	166,988	16.7	223,609
Total before Eliminations	1,027,174	954,377	7.6	1,261,020
Eliminations	(27,060)	(22,705)	-	(29,212)
Consolidated Net Sales	1,000,114	931,672	7.3	1,231,808

Segment Information by Business

Millions of yen

Q3/FY2007 Apr '07 - Dec '07	Consumer Products Business				Chemical Business	Corporate/ Eliminations	Consolidated
	Beauty Care Business	Human Health Care Business	Fabric & Home Care Business	Total			
Net sales							
Sales to customers	464,872	149,443	218,037	832,353	167,761	-	1,000,114
Intersegment sales	-	-	-	-	27,060	(27,060)	-
Total	464,872	149,443	218,037	832,353	194,821	(27,060)	1,000,114
Operating expenses	447,036	136,458	168,738	752,234	179,074	(27,319)	903,989
Operating income	17,836	12,984	49,298	80,118	15,747	259	96,125
% to sales	3.8	8.7	22.6	9.6	8.1	-	9.6

Q3/FY2006 Apr '06 - Dec '06	Consumer Products Business				Chemical Business	Corporate/ Eliminations	Consolidated
	Beauty Care Business	Human Health Care Business	Fabric & Home Care Business	Total			
Net sales							
Sales to customers	431,116	143,201	213,071	787,389	144,282	-	931,672
Intersegment sales	-	-	-	-	22,705	(22,705)	-
Total	431,116	143,201	213,071	787,389	166,988	(22,705)	931,672
Operating expenses	412,317	131,718	163,598	707,634	148,744	(22,859)	833,519
Operating income	18,798	11,482	49,473	79,754	18,243	154	98,152
% to sales	4.4	8.0	23.2	10.1	10.9	-	10.5

FY2006 Apr '06 - Mar '07	Consumer Products Business				Chemical Business	Corporate/ Eliminations	Consolidated
	Beauty Care Business	Human Health Care Business	Fabric & Home Care Business	Total			
Net sales							
Sales to customers	584,284	183,607	269,519	1,037,411	194,396	-	1,231,808
Intersegment sales	-	-	-	-	29,212	(29,212)	-
Total	584,284	183,607	269,519	1,037,411	223,609	(29,212)	1,231,808
Operating expenses	554,441	171,795	211,703	937,940	202,429	(29,419)	1,110,949
Operating income	29,842	11,811	57,816	99,470	21,180	207	120,858
% to sales	5.1	6.4	21.5	9.6	9.5	-	9.8