

Kao Corporation

Notice Regarding Retirement of Treasury Shares

February 2, 2017

Kao Corporation (the "Company" – *Ticker Code:4452*) hereby makes the following announcement: the Board of Directors, at the meeting of the Board of Directors held on the date hereof, resolved to retire the treasury shares in accordance with Article 178 of the Companies Act. The number of shares to be retired corresponds to the number of shares of the Company's shares purchased from the market during the fiscal year ended December 31, 2016.

Shares to be retired:	Ordinary shares of the Company
Number of shares to be retired:	9,000,000 shares
Scheduled retirement date:	March 1, 2017

Reference:

Total number of outstanding shares after retirement of treasury shares:	495,000,000 shares
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