Kao Corporation

Updated: Financial Statements of Consolidated Business Results for the Fiscal Year ended March 31, 2012

February 5, 2013

Kao Corporation (Ticker Code: 4452) makes certain corrections to the financial statements of consolidated business results for the fiscal year ended March 31, 2012 disclosed on April 24, 2012 to make the information clearer. The corrections are underlined as shown below.

1. Page 1, financial statements "Consolidated Balance Sheet"

[Original]

Investments and other assets		
Other	10,418	12,427
Investments and other assets	(218)	(220)
Total investments and other assets	80,282	88,283

[Correction]

Change a line item

Investments and other assets		
Other	10,418	12,427
Allowance for doubtful receivables	(218)	(220)
Total investments and other assets	80,282	88,283

2. Page 6, financial statements "Consolidated Statements of Changes in Equity"

[Original]

Foreign currency translation adjustments		
Balance at beginning of current period	(84,429)	(62,992)
Net changes of items other than shareholder's equity during the period	(11,663)	(21,436)

[Correction]

Insert a line item "Changed of items during the period" under "Foreign currency translation adjustments"

Foreign currency translation		
Balance at beginning of current period	(84,429)	(62,992)
Changes of items during the period		
Net changes of items other than shareholder's equity during the period	(11,663)	(21,436)

3. Page 6, financial statements "Consolidated Statements of Changes in Equity"

[Original]

Total Adjustments for valuation, foreign currency translation and others	(83,032)	(61,146)
Balance at beginning of current period		

[Correction]

Move figures from "Total Adjustments for valuation, foreign currency translation and others" to "Balance

at beginning of current period"

Total Adjustments for valuation, foreign currency translation and others		
Balance at beginning of current period	(83,032)	(61,146)

4. Page 6, financial statements "Consolidated Statements of Changes in Equity"

[Original]

Retirement of treasury stock	-	-
Total changes of items during the period	10,140	(35,729)

[Correction]

Insert a line item and figures "Net changes of items other than shareholders' equity during the period"

Retirement of treasury stock	-	-
Net changes of items other than shareholders' equity during the period	(11,473)	(21,376)
Total changes of items during the period	10,140	(35,729)

Attachment: Consolidated Balance Sheets and Consolidated Statements of Changes in Equity of Consolidated Business Results for the Fiscal Year ended March 31, 2012

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Updated

Consolidated Balance Sheets

Millions of yen

	FY2011 Mar 31, 2012	FY2010 Mar 31, 2011
Assets		
Current assets		
Cash and time deposits	85,482	110,761
Notes and accounts receivable - trade	142,881	121,093
Short-term investments	46,797	35,028
Merchandise and finished goods	82,393	73,189
Work in process	11,670	9,994
Raw materials and supplies	26,643	26,153
Prepaid expenses	5,678	5,289
Deferred tax assets	17,736	21,854
Other	14,781	14,549
Allowance for doubtful receivables	(1,115)	(1,080)
Total current assets	**432,949**	**416,833**
Fixed assets		
Property, plant and equipment		
Buildings and structures	323,137	321,040
Accumulated depreciation	(246,073)	(239,490)
Buildings and structures, net	77,063	81,550
Machinery, equipment and vehicles	612,446	617,071
Accumulated depreciation	(544,171)	(545,585)
Machinery, equipment and vehicles, net	68,275	71,486
Tools, furniture and fixtures	81,311	77,189
Accumulated depreciation	(68,992)	(65,660)
Tools, furniture and fixtures, net	12,319	11,528
Land	64,796	62,872
Lease assets	11,933	12,146
Accumulated depreciation	(3,918)	(3,181)
Lease assets, net	8,015	8,965
Construction in progress	10,109	8,321
Total property, plant and equipment	240,578	244,724
Intangible assets		
Goodwill	165,613	179,225
Trademarks	53,583	71,176
Other	18,265	22,556
Total intangible assets	237,462	272,958
Investments and other assets		
Investment securities	13,343	12,128
Long-term loans	1,742	1,757
Long-term prepaid expenses	12,441	12,224
Deferred tax assets	42,554	49,965
Other	10,418	12,427
1. Allowance for doubtful receivables	(218)	(220)
Total investments and other assets	80,282	88,283
Total fixed assets	**558,323**	**605,966**
Total assets	**991,272**	**1,022,799**

Updated

Consolidated Statements of Changes in Equity

Millions of yen

	FY2011 Apr '11 - Mar '12	FY2010 Apr '10 - Mar '11
Other accumulative comprehensive income		
Unrealized gain on available-for-sale securities		
Balance at beginning of current period	1,860	2,291
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	421	(431)
Total changes of items during the period	421	(431)
Balance at end of period	2,282	1,860
Deferred gain (loss) on derivatives under hedge accounting		
Balance at beginning of current period	(2)	(0)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(0)	(2)
Total changes of items during the period	(0)	(2)
Balance at end of period	(2)	(2)
Foreign currency translation adjustments		
Balance at beginning of current period	(84,429)	(62,992)
2. Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(11,663)	(21,436)
Total changes of items during the period	(11,663)	(21,436)
Balance at end of period	(96,093)	(84,429)
Post retirement liability adjustments for foreign consolidated subsidiaries		
Balance at beginning of current period	(460)	(445)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(1,236)	(14)
Total changes of items during the period	(1,236)	(14)
Balance at end of period	(1,696)	(460)
Total Adjustments for valuation, foreign currency translation and others		
3. Balance at beginning of current period	(83,032)	(61,146)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(12,478)	(21,885)
Total changes of items during the period	(12,478)	(21,885)
Balance at end of period	(95,510)	(83,032)
Stock acquisition rights		
Balance at beginning of current period	1,143	1,022
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	94	121
Total changes of items during the period	94	121
Balance at end of period	1,237	1,143
Minority interests		
Balance at beginning of current period	9,526	9,139
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	910	387
Total changes of items during the period	910	387
Balance at end of period	10,437	9,526
Total net assets		
Balance at beginning of current period	539,564	575,294
Changes of items during the period		
Cash dividends	(30,272)	(31,089)
Net income	52,434	46,737
Purchase of treasury stock	(627)	(30,093)
Disposal of treasury stock	79	91
Retirement of treasury stock	-	-
4. Net changes of items other than shareholders' equity during the period	(11,473)	(21,376)
Total changes of items during the period	10,140	(35,729)
Balance at end of period	549,704	539,564