

# Kao Corporation

## **Kao to Construct a New Plant for Sanitary Products at Sakata Plant Complex - Investing Approx. ¥5 Billion to Meet Increase in Both Domestic and Overseas Demand -**

June 24, 2013

Kao Corporation (President and CEO: Michitaka Sawada, *Ticker Code:4452*) will construct a new plant for sanitary products within the Sakata Plant complex in Sakata City, Yamagata Prefecture, Japan. The new plant construction aims at strengthening the stable product supply system to meet the sharp increase in demand for *Merries* baby diapers in both the Japanese and global markets. Investment will amount to approximately 5 billion yen for construction of new plant buildings and facilities. Construction will start in September 2013, with the operation onset from spring 2014.

In Japan, as necessary, Kao has fortified its production capacity of sanitary products at the Tochigi Plant and the plant at Ehime Sanitary Products Co., Ltd. In addition, by constructing a new plant for *Merries* baby diapers at the Sakata Plant complex, the third production base for sanitary products in Japan will be developed and Kao's supply system will be further reinforced.

The new production base for sanitary products at Sakata also takes into consideration higher demand for products related to the aging society such as increasing cases of light urinary incontinence. Moreover, taking advantage of its location in Sakata City, the new plant will play a role to fortify the supply base for global markets including Russia as well as for the Japanese market.

Overseas, Kao has enhanced its production capacity in China, where the Hefei Plant is in operation, and in Indonesia, where the second plant with production facilities for sanitary products is under construction.

In the fields of cleanliness, beauty and health, Kao Group continues to contribute to the enrichment of the lives of people globally by supplying products while realizing profitable growth on a global basis. Particularly in the global market, as well as in Japan, *Merries* is gaining a high reputation for its functional advantages such as "gentle to baby skin" and "breathability," and the demand for *Merries* is dramatically expanding. Kao strives to promote its business expansion.

### **Outline of Kao Sakata Plant**

Operation commencement: 1940.

Representative: Hitoshi Tanimoto

Location: 2-1-18 Ohama, Sakata City, Yamagata Prefecture, Japan

Site area: Approximately 155, 000 square meters

\*With its unique technology of paper and powder processing, the plant produces Kao products such as the human healthcare products *Bub* (bath additives) and *Megurhythm* (steam thermo pads).

### **About Kao**

Kao creates high-value-added products to help consumers around the world enrich their everyday lives. Over 20 leading brands such as *Asience*, *Attack*, *Bioré*, *Goldwell*, *Jergens*, *John Frieda*, *Kanebo*, *Laurier*, *Merries* and *Molton Brown* are part of the lives of people in Asia, Oceania, North America and Europe and help generate about 1,200 billion yen (about \$US13 billion) in annual sales. Kao employs about 35,000 people worldwide and has more than 120 years of history in innovation. Please visit the Kao group web site for updated information.

<http://www.kao.com/group/en/group/>

### **Media inquiries should be directed to:**

Corporate Communications Department

Kao Corporation

Tel: +81-3-3660-7043

Fax: +81-3-3660-7044