

Kao Corporation

Kao Indonesia Chemicals Completes New Plant at Karawang - Increasing Production Capacity of Surfactants by 50% -

July 5, 2013

PT. Kao Indonesia Chemicals (President: Hideyuki Nishio), a group company of Kao Corporation (President and CEO: Michitaka Sawada, *Ticker Code:4452*) in the chemical business in Indonesia, has completed construction of a new plant at Karawang International Industry City (KIIC). The completion ceremony was held on July 5, 2013 at the site.

The new plant will begin its operation from August 2013, where surfactants (raw materials for consumer products including shampoo and detergents) and industrial chemical products are produced. Initial investment amounts to over 4 billion yen, and total production capacity of surfactants will be increased to approximately 1.5 times of current capacity, together with existing facilities that are to be transferred from a current plant located in Tambun, a suburb of Jakarta. The transfer of all operations from the existing plant will be completed by the end of December 2014 and integrated with the new plant.

Kao Indonesia Chemicals plays an important role as a production base to supply surfactants and industrial chemical products around the world including Asian region, Europe and Americas. The new plant will be one of the largest production plants of surfactants in the Kao Group global production network.

To achieve profitable growth on a global basis, Kao has formulated Kao Group Mid-term Plan 2015 (K15), in which the company upholds “Reinforce the Chemical Business” as one of its growth strategies. Specifically, in the fast-growing Asian market, Kao has ongoing construction or enhancement of chemical plants in Indonesia along with China and the Philippines. Kao Group will continue to invest in chemical production facilities as it aims to expand the business in growing markets.

Outline of PT. Kao Indonesia Chemicals

Corporate Name: PT. Kao Indonesia Chemicals
Year Established: 1977
Representative: Hideyuki Nishio, President Director
Investment Ratio: Kao Corporation 95%, Others 5%
Business: Production and sales of various surfactants and industrial chemical products
Site area: 120,000 square meters
Location: Karawang International Industry City (KIIC), West Java, Indonesia

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/>

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