

## Notice of Revision of Business Results Forecast

July 29, 2013

Kao Corporation (the “Company — Ticker code: 4452) hereby announces that, in light of factors including recent trends in its business results, it has revised its forecast of business results for the fiscal year ending December 31, 2013, which it had released on April 30, 2013 at the time of its announcement of business results for the three months ended March 31, 2013. The revision is as follows.

1. Revision of Consolidated Business Results Forecast for the First Half of the Fiscal Year Ending December 31, 2013 (January 1, 2013 to June 30, 2013)

	(Millions of yen, except where noted)				
	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	600,000	32,000	33,000	19,000	36.85
Revised forecast (B)	625,000	42,900	44,900	18,300	35.41
Change (B-A)	25,000	10,900	11,900	-700	-
Change	4.2%	34.1%	36.1%	-3.7%	-
(For reference)					
Actual results for the first half of restated FY2012*	578,700	34,849	36,076	19,239	36.87

\* The first half of restated FY2012 is January 1, 2012 to June 30, 2012 for both Kao Corporation and its subsidiaries whose fiscal year end was previously March 31 and for subsidiaries whose fiscal year end was December 31.

2. Revision of Consolidated Business Results Forecast for the Fiscal Year Ending December 31, 2013 (January 1, 2013 to December 31, 2013)

	(Millions of yen, except where noted)				
	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previous forecast (A)	1,270,000	116,000	117,000	73,000	142.09
Revised forecast (B)	1,300,000	116,000	118,000	67,000	130.84
Change (B-A)	30,000	0	1,000	-6,000	-
Change	2.4%	0.0%	0.9%	-8.2%	-
(For reference)					
Actual results for restated FY2012	1,220,359	111,792	114,116	62,729	120.21

\* Restated FY2012 is January 1, 2012 to December 31, 2012 for both Kao Corporation and its subsidiaries whose fiscal year end was previously March 31 and for subsidiaries whose fiscal year end was December 31.

### 3. Reasons for the Revision

The Company revised its business results forecast for the six months ended June 30, 2013 because the depreciation of the yen in foreign currency translation progressed further than assumed and the performance of the Consumer Products Business in Japan and Asia was stronger than expected. Please note that losses and expenses related to the voluntary recall of brightening products containing the ingredient Rhododenol that were manufactured and sold by Kanebo Cosmetics Inc., Lissage Ltd. and E'quipe Ltd. include 2.8 billion yen in cost of sales and 5.6 billion yen in extraordinary loss.

The Company revised its business results forecast for the fiscal year in light of its business results for the six months ended June 30, 2013 and taking into consideration factors in the second half of the fiscal year including the rise in prices for raw materials and the impact on net sales of the above-mentioned voluntary recall.

For further information, please contact:

Sadanao Kawashima

Vice President

Investor Relations

Tel: +81-3-3660-7101

Fax: +81-3-3660-8978

E-mail: [ir@kao.co.jp](mailto:ir@kao.co.jp)