Kao Corporation

Notice Regarding A Dividend of Surplus

February 2, 2017

Kao Corporation (the "Company"– *Ticker Code: 4452*) announces that its Board of Directors resolved to distribute a dividend of surplus as described below, at the meeting of the Board of Directors held on the date hereof.

The dividend of surplus will be officially decided by relevant resolution at the Annual General Meeting of Shareholders to be held on March 21, 2017.

1. Details of Dividends

	Year-end dividend for FY2016, ended December 31, 2016	Most recent year-end dividend forecast (Published on October 27, 2016)	Year-end dividend for FY2015, ended December 31, 2015
Record date	December 31, 2016	December 31, 2016	December 31, 2015
Dividend per share	48.00 yen	46.00 yen	42.00 yen
Total amount of dividends	23,684 million yen	-	21,085 million yen
Effective date	March 22, 2017	-	March 28, 2016
Source of dividends	Profit Surplus	-	Profit Surplus

2. Reason for the Dividend Amount

In order to achieve profitable growth, the Company secures an internal reserve for capital investments and acquisitions from a medium-to-long-term management perspective and places priority on providing shareholders with stable and continuous dividends.

In accordance with these policies, the Company plans to increase the year-end dividend for the fiscal year that ended on December 31, 2016 by 6.00 yen per share compared with the previous fiscal year to 48.00 yen per share partly to reflect net income, attributable to owners of the parent that exceeded the forecast for the fiscal year.

And the Company plans to increase the total dividend for through the fiscal year 2016 by14.00

yen per share compared with the previous fiscal year to 94.00 yen per share.

[Reference: Details of Dividends Through the Fiscal Year]

	Dividend per share (yen)		
Record date	End of First Half	End of Fiscal Year	Total
Dividends for FY2016	46.00 yen (Paid)	48.00 yen	94.00 yen
Dividends for FY2015(Paid)	38.00 yen	42.00 yen	80.00 yen

For further information, please contact:
Mitsuhiro Watanabe
Vice President
Investor Relations
Tel: +81-3-3660-7101
Fax: +81-3-3660-8978
E-mail: ir@kao.co.jp