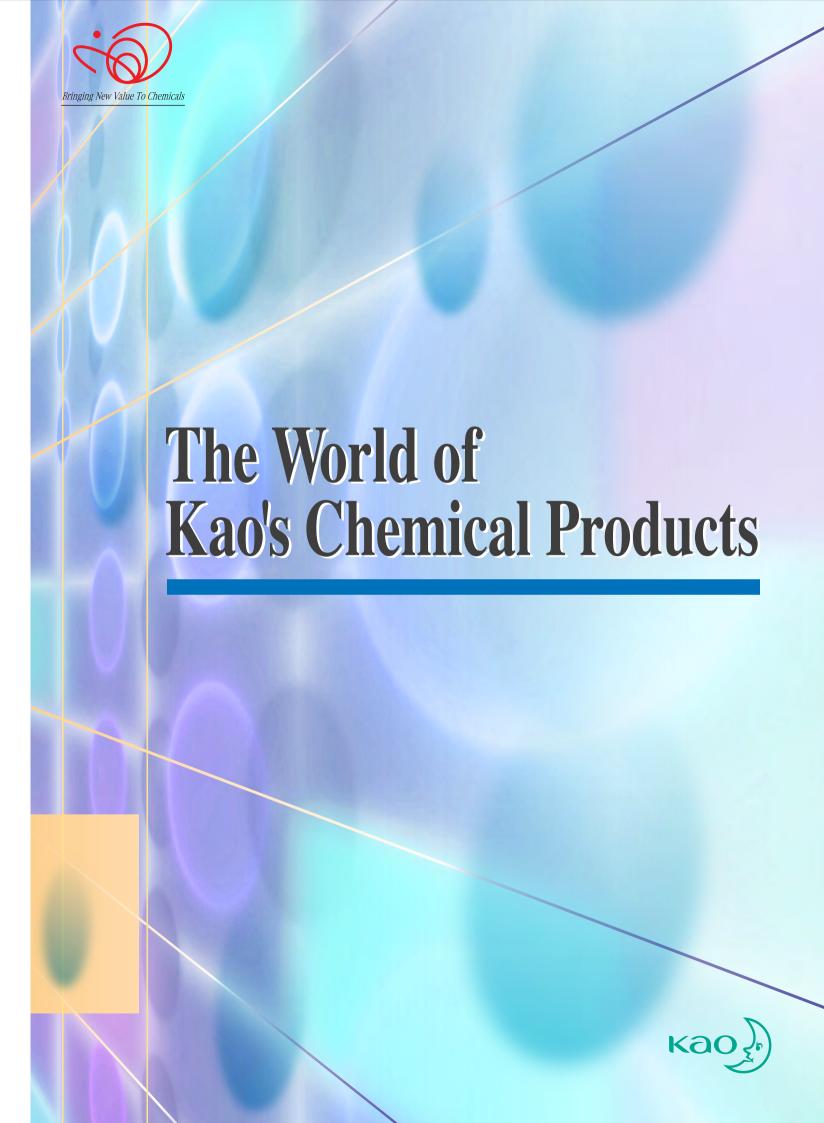
Global Network of Kao's Chemical Products Business

Asia	
Kao Corporation Chemical Business, Global	Tokyo 2-1-3 Bunka, Sumida-ku, Tokyo Tel: +81-3-5630-7700 / Fax: +81-3-5630-7889 Osaka 1-4-1 Itachibori, Nishi-ku, Osaka Tel: +81-6-6533-7441 / Fax: +81-6-6533-7967 URL http://chemical.kao.com/global/
Kao-Quaker Co., Ltd.	2-1-3 Bunka, Sumida-ku, Tokyo Tel: +81-3-5630-7841 / Fax: +81-3-5630-7980
Kao Chemical Corporation Shanghai / Kao Trading Corporation Shanghai	No.1500, Bei Song Road Minhang District, Shanghai 201111, P.R.China Tel: +86-21-6409-2880 / Fax: +86-21-6409-2881 URL http://chemical.kao.com/cn/
Kao (Taiwan) Corporation	10F, 207, Sec. 3, Pei-Hsin Rd., Hsin-Tien District, New Taipei City 23143, Taiwan, R.O.C. Tel: +886-2-8665-1978 / Fax: +886-2-8913-1150 URL http://chemical.kao.com/tw/
Pilipinas Kao, Inc.	7th Floor Tower One & Exchange Plaza Ayala Triangle, Ayala Avenue, 1226 Makati City, Philippines Tel: +63-2-822-2094 to 97 / Fax: +63-2-822-2094 to 97 (local 116) URL http://chemical.kao.com/ph/
Kao Industrial (Thailand) Co., Ltd.	55 Wave Place Bldg., 15th Fl., Wireless Rd., Lumpini, Pathumwan, Bangkok 10330, Thailand Tel: +66-2-655-4433, 4455 / Fax: +66-2-655-4333, 4335 URL http://chemical.kao.com/th/
Fatty Chemical (Malaysia) Sdn. Bhd. Kao Oleochemical (Malaysia) Sdn. Bhd Kao Plasticizer (Malaysia) Sdn. Bhd.	2510 Lorong Perusahaan Satu, Prai Industrial Complex, 13600 Prai, Penang, Malaysia Tel: +60-4-399-8500 / Fax: +60-4-390-3646
Kao Singapore Private Ltd.	83 Clemenceau Avenue #16-08 UE Square Singapore 239920 Tel: +65-6471-2811 / Fax: +65-6836-3290 URL http://chemical.kao.com/sg/
PT. Kao Indonesia Chemicals	Grha Persada 2 - 5th Floor, Jl. KH. Noer Ali No. 89A, Kayuringin Jaya Kalimalang, Bekasi 17144, West Java, Indonesia Tel: +62-21-2928-5454 / Fax: +62-21-2928-5464 URL http://chemical.kao.com/id/
Americas	
Kao Collins Inc.	1201 Edison Drive, Cincinnati, OH 45216, USA Tel: +1-513-948-9000 / Fax: +1-513-948-8900 URL https://www.kaocollins.com
Kao Specialties Americas LLC	243 Woodbine Street, P.O. Box 2316, High Point, NC 27261, USA Tel: +1-336-884-2214 / Fax: +1-336-884-8786 URL http://chemical.kao.com/us/
QuimiKao, S.A. de C.V.	Km. 22.5 Carr. Guadalajara-El Salto, C.P.45680 El Salto, Jalisco, Mexico Tel: +52-33-3284-1000 / Fax: +52-33-3688-0861 URL http://chemical.kao.com/mx/
Kao do Brasil Representação Comercial Ltda.	Rua do Ator 1117, office 152, Edifício The Taj, Vila Olímpia, 04546-004 São Paulo, SP-Brasil Tel: +55-11-3045-2400 / 3842-5963
Europe	
Kao Chemicals Europe, S.L. Kao Corporation S.A.	Puig dels Tudons, 10, E-08210 Barbera del Valles (Barcelona), Spain Tel: +34-93-7399-300 / Fax: +34-93-7399-333 URL http://www.kaochemicals-eu.com/
Kao Chemicals GmbH	Kupferstrasse 1, D-46446 Emmerich, Germany Tel: +49-2822-7110 / Fax: +49-2822-711201
Kao Chimigraf	Carcassí, 6-8 P.I. Can Jardí 08191-Rubí Barcelona-Spain Tel: +34-935-862-040 URL http://kaochimigraf.com/es/



Contributing to industries globally by developing new products through dynamic activities.

Developing a variety of chemical products.

In the century of activities since its founding, Kao has also forged a long history in the field of chemical products for industrial uses.

Kao is currently developing many diverse chemical products that revolve around fat and oil derivatives, surfactants, functional polymers and aroma chemicals which are used in many fields such as toiletries, textiles, pulp and paper, plastics, metals, electronics and so on.

Creative new products for industries globally.

Furthermore, more than 50 years have passed since Kao's initial venture overseas. The stage of Kao's worldwide activities has now expanded to include operations in Asia, North and Central America and Europe.

Kao will continue to concentrate its comprehensive strength in developing innovative new chemicals, technologies and products and will contribute to the development of a wide range of industries by providing these to industries globally.

Highly systemized production of superior quality

Highly systemized production of superior quality
—products-automated perfume compounding equipment.

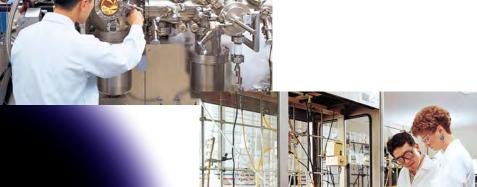
Research and Development Activities

Creation of New Products

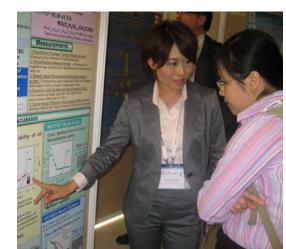
Production

Activities

Marketing Activities



Forming chemical compounds with new functions



Research down to the molecular and

An opportunity for communication with the end users-the launch of a new Kao product



Grasping and responding attentively to the needs of end users on site.

Plants employ Kao's own production technology — production of fatty alcohols.

Engaging in the entire production process from the raw materials of natural fats and oils to the final products.

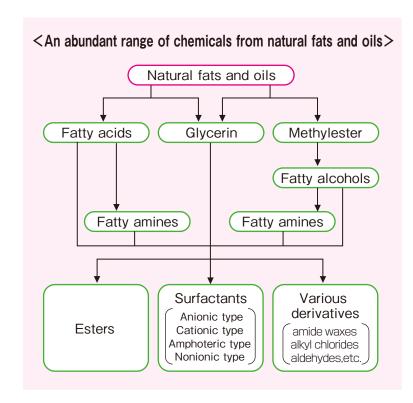
Superior products begin with superior raw materials.

Based on the philosophy that "Superior products begin with superior raw materials," Kao engages in the entire production process from the raw materials of natural fats and oils to the final products.

Kao has created approximately 2,000 types of products through this wide breadth of activities. Each of these products boast superior features and functionality with diverse applications in many areas enabling Kao to broadly contribute to industries globally.

A global leader in the fats and oils business.

Kao also handles high quality fatty acids, fatty alcohols, fatty amines, glycerin and other chemicals derived from natural fats and oils enabling it to command a position as a leading global producer in the fats and oils business.



Creation of new markets and values



The basis of Kao products, raw material production from natural fats and oils — Pilipinas Kao.



Employing various technologies, research and development is conducted jointly throughout Kao's worldwide bases



Wakayama plant, the largest production base for chemical products within Kao corporation in Japan

Production

technology

development

and research

Marketing

Basic Research

- •Fat and oil science
- Surface science Polymer science
- Biological science
- Applied physics

Natural fats and oils

> Other materials

Oil palm, a plant which produces natural fats and oils.

The size of each fruit is 4°5 centimeters

Chemicals

- •Fat and oil derivatives
- Surfactants
- Functional polymers Aroma chemicals
- Enzymes

Research into

new functions

Global

network

Applied

research

Chemical Products

Chemical Intermediates

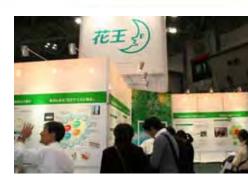
- •Fat and oil derivatives
- Surfactants
- Functional polymers
- Aroma chemicals Enzymes

Functional Chemicals

Various functional chemicals such as emulsifiers, dispersants, solubilizers, detergents, antistatic agents, defoaming agents, etc.



Strategy meetings for new product development also utilize information gathered from the global network



Participation in exhibitions -one part of "Needs & Seeds Communication in marketing activities

Kao's chemical products for a wide range of industries.

A strong record of achievement.

With their various unique features, Kao's chemical products have a strong record of achievement, and are broadly applied to diverse uses and in a variety of industries worldwide.

Lubricant base oils Lubricant additives Oiliness improvers...

Lubricants



Binder for molds (Metals Foundy field)

Deinking agents

(Pulp and paper field)

De-inking agents
Bulking agents
Dispersants
De-foaming agents
Detergents...

Color Industry

Metal cleaners

and cores...

Binders for molds

Dye auxiliaries
Pigment auxiliaries
Paint chemicals
Printing ink chemicals...

Pulp and Paper Fat and Oil Derivatives

Metals

Foundry

- Fatty acids
- Fatty alcohols
- •Fatty amines
- ●Esters
- Glycerin

Surfactants

- Anionic surfactants
- Cationic surfactants
- Amphoteric surfactants
- Nonionic surfactants

Polyurethane

Polyurethane catalysts Polyesterpolyol for Flexible Foam

> Plastics Rubbers

Information

Additives for polymerization
Plastic additives
Plasticizers
Antistatic agents
Rubber processing agents...

Toners for copiers & printers Toner binders Colorants for Ink-jets

Toners for copiers & printers (Information field)



Air entraining superplasticizers for concretes (Construction field)

Concrete additives Gypsum board additives Asphalt emulsifiers Antistripping agents for asphalt...

Functional Polymers

Polyamide resins

Aroma Chemicals/Enzymes

Polyester resins

•Furan resins

Phenol resins

Natural essential oils

Synthetic aroma chemicals

Compounded flavors and

Adjuvants
Functional fertilizers
Anti-caking agents for fertilizers
Wood preservatives
Feed additives...



Functional fertilizers (Agrochemicals field)

Construction

Agrochemicals

Pharmaceuticals

Disinfectant cleansers
Solubilizers
Base chemicals for ointments
Base chemicals for suppositories...



Raw materials for ointments (Pharmaceuticals field)

Laundry detergents
Toiletries

Toiletries Cosmetics Laundry detergent chemicals
Toiletry chemicals
Cosmetics chemicals...

Aroma

chemicals

Raw materials for fragrances
Raw materials for flavors...



Raw materials for fragrances (Aroma chemicals field)

Food Products

Edible oils
(margarine, shortening)
(and whipping cream)
Food emulsifiers
Fermentation additives...

Precision industry Electronics

fragrances

Fine polishing slurries & agents Cleaners for electronic parts Cleaners for semiconductors Lens / Glass Mold cleaners



Polishing slurry for Hard Disk substrates (Electronics field)



Margarine for breads (Food products field)

From key chemicals and key technologies answers to a variety of needs.

Comprehensive research and development activities.

From the basic to the applied fields, Kao has utilized comprehensive research and development activities to create a wide array of chemicals and technologies. Kao has focused on areas-such as fats and oils, surfactants, and polymers-to address the diverse needs of various industries.

The following examples illustrate the importance of some of these key chemicals and technologies.

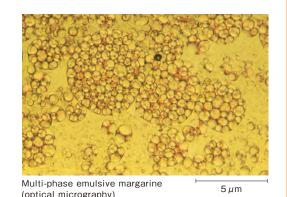


Kao's Wakayama Research Centers in Japan

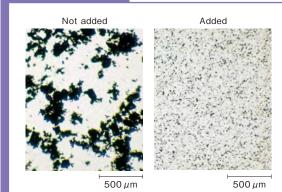
Emulsification

Kao has utilized the multi-phase emulsion technology for fats and oils to develop a butter cream that is as rich and flavorful as fresh cream.

Kao has used emulsion technology for breakthroughs in emulsion liquid crystal research - and association of surfactant molecules - to develop unique margarines and shortenings to use in cakes and other baked goods.



Dispersion



The effects of new air entraining superplasticizers on the dispersion of cement particles (optical micrograph)

Kao recognized the potential of steric repulsion and has successfully developed uniquely structured new air-entraining superplasticizers with long branching chains.

These superplasticizers have been added to ready-mixed concrete, contributing to qualities such as: strong dispersant characteristics; steady flowability retention; high early strength.

The effects of the superplasticizer's steric repulsion have dramatically improved the performance of concrete.

Cleaning

Kao has applied its surface activities expertise to develop a high-function, water-based cleaner that enables easy wastewater treatment. This multifunctional composition of this cleaner can also be used in the electronics field by replacing chlorofluorocarbon and chloric type solvents.

In addition, Kao has developed various high performance chemicals in the area of semi-conductors including a cleaner that has revolutionized manufacturing technology.



Easy wastewater treatment by [OIL-WATER SEPARATING APPARATUS]

Adsorption and coagulation



Deinking simulation using flotation deinking tester.

The pulp fiber, ink, and foam are the three elements that play a major role in the flotation method for wastepaper recycling. In order to remove a greater amount of ink from the paper, Kao has developed a deinking agent that achieves a high level of whiteness by optimally controlling the electrostatic interaction of these substances.

Penetration

The combination of plant studies and Kao's expertise in surfactants has been used to develop various new crop care products.

Some examples of these include: products that reduce the need of pesticides by enhancing the plant's biological effectiveness; and products that improve the plant's resistance to disease by supplementing the leaf's surface with calcium. Kao's new crop care products have not only addressed safety and health issues but have also enhanced the quality andquantity of the harvest.



Not applid Appl

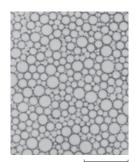
Effects of functional calcium supplement products on soybeans (example under calcium deficiency disease conditions)

From key chemicals and key technologies answers to a variety of needs.

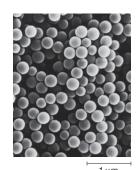
Emulsified polymerization

The emulsifier for emulsified polymerization must also possess the ability to disperse and stabilize polymer particles in the emulsion. Kao is involved in the development of many unique emulsifiers that, in addition to having superior basic functions, also possess a broad range of other important purposes.

The new emulsifiers can be used in a diverse range of polymerizing conditions, create a stable emulsion mechanically and chemically, and generate special reactions.



200μm Monomer solution before polymerization (optical micrography)



Polymer particles within emulsion (scanning electro micrography)

Antistatic finish



The effects of antistatic agents on plastic products (example of dirt chamber test results)

By studying the solubility of antistatic agents in resin, Kao has developed an antistatic agent that efficiently and effectively migrates to the surface in about an hour from molding. The efficiency of the agent has resulted in dramatic cost reductions by eliminating the aging time between molding and delivery. Kao has also developed antistatic agents with prolonged effectiveness.

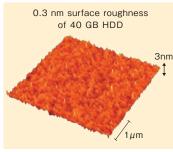
Polishing

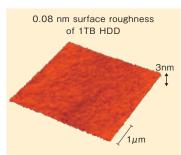
In making of hard disk drive (HDD) used for personal computers and video, a large capacity smoothing high accuracy on the surface of the magnetic disk substrate before a magnetic layer is formed by the deposition becomes a point.

We, Kao developed the grinding medicine for the HD substrate that united smoothness at the highest level in the

world to the high throughput based on grinding Totsb of the size of Nano originally designed by a unique technique of combining technologies that chemically processed the surface of the disk.

We advance technological development that will support making to a large memory capacity and making of HDD high-quality in the future, and contribute to the highly-networked information society.





Comparison of surface roughness by atomic force microscope

Molding

Plant origin resins and biodegradability resins by respect of the environmental harmony are paid attention. The polylactide (PLA) of the transparency and the hard resin had the problem in the processing as it took time for heatproof, an impact, and molding.

We, Kao developed the Nano crystal control technology and the technology of making to softness that generated the crystal of PLA of the size of Nano for the expansion of the PLA use to the split second of molding.

We have improved reforming PLA resin by these technologies. This PLA resin has a transparency, an impact, and heatproof with the processing equal with a PP and an petroleum resins such as ABS resins at the stage of extrusion and injection molding.



Shoe sole molding test using a machine for developing better products

Designing polymer functions



Copier toner is powdered ink, consisting of a pigment dispersed in a toner binder resin; thus, the performance of the binder resin directly affects the toner. In order to create a better toner, Kao has developed a binder resin with pigment dispersion ability, tribo-electric chargeability, and other heightened functions. The resulting toner has excellent copy quality, color reproduction, fusing ability, and durability.

Fragrances

Using results from the latest natural perfume research and synthetic technology, Kao develops a variety of specialty products that are critical in creating new fragrances. These products, along with joint research from Kao's laboratory in Spain, have enabled Kao to supply its fragrances to global markets. Kao's principle focus is to develop a unique fragrance that is both versatile and functional.



Developing fragrances by incorporating personal computer technology and the latest fragrance development systems

Working around the globe, closely with the people of each country.

Active development of worldwide activities.

The active development of Kao's worldwide activities is based on its desire to apply the knowledge and technology it has gained through its various activities for the benefit of not only the people of Japan but the people of the world.

In the area of chemical products also, Kao has established bases in countries around the world such as in Asia, North and Central America and Europe from many years ago.

In addition to exporting, these bases have also been used to develop business in the form of local production. Through their organic links and shared possession of up-to-the-minute information,

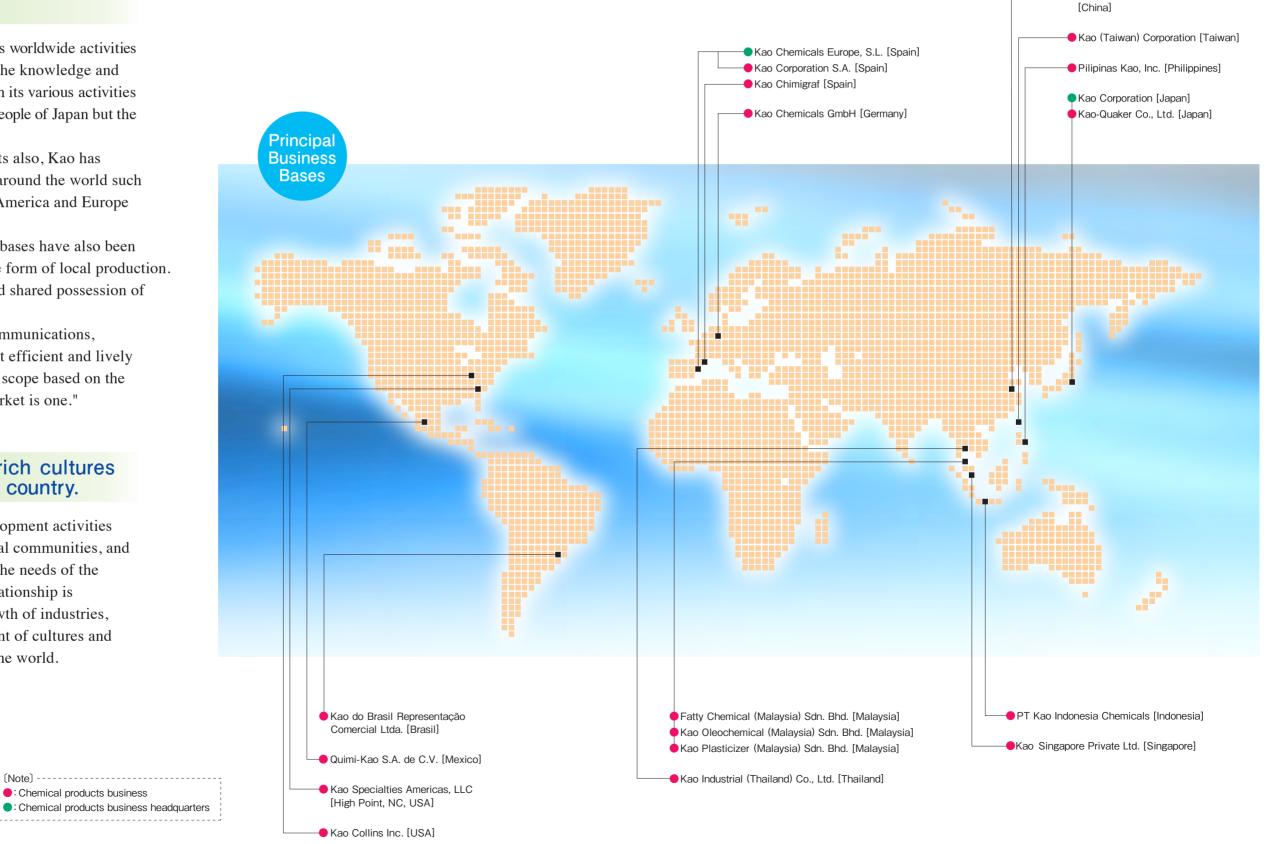
utilizing personal computer communications, these bases continue to conduct efficient and lively business activities over a wide scope based on the awareness that "The global market is one."

Contributions that enrich cultures and lifestyles in each country.

In addition, research and development activities are conducted closely with local communities, and unique products which match the needs of the market are developed. This relationship is contributing widely to the growth of industries, and as a result to the enrichment of cultures and lifestyles in countries around the world.

(Note) -----

Chemical products business



Kao Chemical Corporation Shanghai

Abundance of diverse product lines.

Chemical intermediates

			North and Ame	d Central crica	Europe		
	Chemical i	ntermediates	Kao Specialties Americas, LLC [USA]	Quimi-Kao S.A.de C.V. [Mexico]	Kao Chemicals GmbH [Germany]	Kao Corporation S.A. [Spain]	
		Fatty acid salts					
		Sulfates					
		Sulfonates					
	Anionic type	Phosphates			•		
		Ether carboxylates					
		Naphthalene sulfonate formaldehyde condensates	•	•	•	•	
S		Special carboxylates					
ctanı		Special reactive type	•				
Surfactants	Cationic type	Alkyl amine salts					
S	Cationic type	Quaternary ammonium salts	•				
	Amphoteric	Alkyl betaines					
	type	Amine oxides	•		•		
		Polyoxyethylene type					
	Nonionic type	Sorbitan esters			•		
	romonic type	Glycerin esters		•			
		Alkanol amides					

Note: Summary of items only (:Items produced: Items handled)

Production of high quality products.

Kao's bases throughout the world produce various high quality products that match the characteristics of each region based on their organic links and promptly provide these products to the markets of countries around the world.

					Asia					
Kao Corporation [Japan]	Kao-Quaker Company Limited [Japan]	Kao Chemical Corporation Shanghai [China]	Kao(Taiwan) Corporation [Taiwan]	Pilipinas Kao Incorporated [Philippines]	Kao Commercial(Thailand)Co,Ltd. Kao Industrial(Thailand)Co,Ltd.Co,Ltd. [Thailand]	Fatty Chemical(Malaysia) Sdn.Bhd. [Malaysia]	Kao Oleochemical (Malaysia) Sdn.Bhd. [Malaysia]	Kao Plasticizer(Malaysia) Sdn.Bhd. [Malaysia]	Kao (Singapore) Private Ltd.	PT Kao Indonesia Chemicals [Indonesia]
•		•			•					

Note: Kao has established Kao Chemicals Europe S.L. in Spain to administer the industrial chemical products business in Europe.

Chemical intermediates

	N			Eur	ope
Chemica	Kao Specialties Americas, LLC [USA]	Quimi-Kao S.A.de C.V. [Mexico]	Kao Chemicals GmbH [Germany]	Kao Corporation S.A. [Spain]	
	Fatty acids				
	Fatty alcohols				
	Primary and secondary fatty amines				•
Fat and oil derivatives	Tertiary fatty amines		•	•	•
	Esters				
	Amide waxes				•
	Glycerin				
	Polyamide resins (for ink vehicles)				
Functional	Polyester resins (for toners)				
polymers	Furan resins (for mold and core-binders)				
	Phenol resins (for mold and core-binders)				
	Natural essential oils				
Aroma chemicals	Synthetic aroma chemicals				
	Compounded flavors and fragrances				

Note: Summary of items only (:Items produced: Items handled)

					Asia					
Kao Corporation [Japan]	Kao-Quaker Company Limited [Japan]	Kao Chemical Corporation Shanghai [China]	Kao(Taiwan) Corporation [Taiwan]	Pilipinas Kao Incorporated [Philippines]	Kao Commercial(Thailand)Co,Ltd. Kao Industrial(Thailand)Co,Ltd.Co,Ltd. [Thailand]	Fatty Chemical (Malaysia) Sdn.Bhd. [Malaysia]	Kao Oleochemical(Malaysia) Sdn.Bhd. [Malaysia]	Kao Plasticizer(Malaysia) Sdn.Bhd. [Malaysia]	Kao (Singapore) Private Ltd.	PT Kao Indonesia Chemicals [Indonesia]
										•
										•
										•
						•				

Functional chemicals

		North and Ce	ntral America	Europe		
Field	Functional chemicals	Kao Specialties Americas, LLC [USA]	Quimi-Kao S.A.de C.V. [Mexico]	Kao Chemicals GmbH [Germany]	Kao Corporation S.A. [Spain]	
Laundry detergents and	Base chemicals for laundry detergents					
fabric softeners	Base chemicals for fabric softeners					
Toiletries	Raw materials					
Tolletries	Pre-mixtures					
Commission	Pearling agents					
Cosmetics	Raw materials					
Aroma chemicals	Raw materials for fragrances					
	Disinfectant cleansers					
Pharmaceuticals	Base chemicals for ointments and suppositories					
	Bulking agents, solubilizers, etc.					
	Adjuvants					
Agrochemicals	Anti-caking agents for fertilizers					
	Additives for agrochemicals, etc.					
	Edible oils					
Food products	Food emulsifiers, etc.					
	Fermentation additives					
Textiles	Agents for dyeing and finishing					
Pulp and paper	Deinking agents					
i uip allu paper	Defoaming agents, felt cleaners, etc.					
Color industry	Dispersants for dyes, pigments and paints, etc.					

Note: Summary of items only (:Items produced: Items handled)

17

	Asia									
Kao Corporation [Japan]	Kao-Quaker Company Limited [Japan]	Kao Chemical Corporation Shanghai [China]	Kao(Taiwan) Corporation [Taiwan]	Pilipinas Kao Incorporated [Philippines]	Kao Commercial(Thailand)Co,Ltd. Kao Industrial(Thailand)Co,Ltd.Co,Ltd. [Thailand]	Fatty Chemical (Malaysia) Sdn.Bhd. [Malaysia]	Kao Oleochemical(Malaysia) Sdn.Bhd. [Malaysia]	Kao Plasticizer(Malaysia) Sdn.Bhd. [Malaysia]	Kao (Singapore) Private Ltd.	PT Kao Indonesia Chemicals [Indonesia]
									•	

Functional chemicals

		North and Ce	ntral America	Eur	ope
Field	Functional chemicals	Kao Specialties Americas, LLC [USA]	Quimi-Kao S.A.de C.V. [Mexico]	Kao Chemicals GmbH [Germany]	Kao Corporation S.A. [Spain]
	Additives for polymerization				
Plastics	Plastic additives				
	Plasticizers				
Rubbers	Additives for polymerization				
Rubbers	Rubber processing agents				
Polyurethane	Polyurethane catalysts				
Construction	Asphalt emulsifiers				
Construction	Concrete additives				
Metals	Cold rolling oils for steels				
Wietais	Metal cleaners, etc.				
Foundry	Binders for molds and cores, etc.				
Lubricants	Lubricant base oils				
Lubricants	Lubricant additives				
Mining	Flotation agents, etc.				
Electronics	Cleaners for electronic parts, etc.				
Precision industry	Plastic lens cleaners, etc.	•			•
Information	Toner binders				
Information	Toners for copiers			•	

Note: Summary of items only (:Items produced :Items handled)

					Asia					
Kao Corporation [Japan]	Kao-Quaker Company Limited [Japan]	Kao Chemical Corporation Shanghai [China]	Kao(Taiwan) Corporation [Taiwan]	Pilipinas Kao Incorporated [Philippines]	Kao Commercial(Thailand)Co,Ltd. Kao Industrial(Thailand)Co,Ltd.Co,Ltd. [Thailand]	Fatty Chemical (Malaysia) Sdn.Bhd. [Malaysia]	Kao Oleochemical (Malaysia) Sdn.Bhd. [Malaysia]	Kao Plasticizer(Malaysia) Sdn.Bhd. [Malaysia]	Kao (Singapore) Private Ltd.	PT Kao Indonesia Chemicals [Indonesia]

Kao's dedicated corporate activities

-Providing wholehearted satisfaction and pleasure to customers throughout the world.

Evolving into a comprehensive chemicals company.

Kao has continued its activities in the century since its founding based on the principles of "Cleanliness, Beauty and Health."

During this time, Kao has vigorously pursued research and development activities based on the philosophy that "The source of business lies in research and development." This has led to an expansion of Kao's products from its original toiletry products such as soaps, laundry detergents, shampoos and rinses; to cosmetics; functional health beverages and other food products; and various other chemical products. This expansion has resulted in the development of Kao into a comprehensive chemicals company.

Joining the ranks of global companies.

In addition, Kao established its first local corporation in Thailand in 1964, more than 50 years ago. From Asia, Kao's worldwide activities have since expanded to Europe, and then to North and Central America and other parts of the world, leading it to become a truly global company. Drawing upon its creative and innovative strengths, Kao aims to continue its corporate activities to provide customers throughout the world with products of unique values that bring them true satisfaction and pleasure.

