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(Securities Code: 8113)
March 4, 2022

To Shareholders with Voting Rights:

Takahisa Takahara
Representative Director, President & CEO
UNICHARM CORPORATION
182 Shimobun, Kinsei-cho, Shikokuchuo-City,
Ehime, Japan

**NOTICE OF CONVOCAION OF
THE 62ND ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially notified of the 62nd Ordinary General Meeting of Shareholders of UNICHARM CORPORATION (the “Company”). The meeting will be held as described below.

Instead of attending the meeting in person, you can exercise your voting rights by either of the following methods. Please review the Reference Documents for the General Meeting of Shareholders set forth below and exercise your voting rights.

<Vote in writing by mail>

Indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by mail to reach us by the end of business hours at 4:50 p.m. on Thursday, March 24, 2022 (Japan time).

<Vote online>

Access the voting site designated by the Company (<https://evote.tr.mufg.jp/>), enter the Login ID and Temporary Password indicated on the enclosed Voting Rights Exercise Form, and input whether you vote for or against the proposals in accordance with the on-screen instructions. Please input your voting information by the end of business hours at 4:50 p.m. on Thursday, March 24, 2022 (Japan time).

- 1. Date and Time:** Friday, March 25, 2022 at 10:00 a.m. (Reception starts at 9:00 a.m.) (Japan time)
- 2. Place:** Multipurpose Hall at Technical Center of the Company
1531-7, Wadahama, Toyohama-cho, Kanonji-city, Kagawa, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the 62nd Fiscal Year (from January 1, 2021 to December 31, 2021) and results of audits by the Accounting Auditors and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the 62nd Fiscal Year (from January 1, 2021 to December 31, 2021)
- Matters to be resolved:**
- Proposal No. 1:** Partial Amendments to the Articles of Incorporation
- Proposal No. 2:** Election of Three Directors (excluding Directors who are Audit and Supervisory Committee Members)

Information Concerning the General Meeting of Shareholders

When attending the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception.

Of the documents to be provided to our shareholders with this notice of convocation, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are deemed to have been provided to our shareholders by posting on the Company’s website below in accordance with applicable laws and regulations and Article 14 of the Articles of Incorporation of the Company. Therefore, the documents attached to this notice of convocation are a part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditors and the Audit and Supervisory Committee in preparing their respective audit reports.

In cases where any item in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements is amended, the Company will announce the updated documents on the Company’s website below.

Measures to Prevent the Spread of the Novel Coronavirus Disease (COVID-19)

<Measures by the Company>

- Staff members and officers at the General Meeting of Shareholders will be wearing masks. Some officers will not be attending in person and instead will be participating via a web conferencing system.
- The meeting venue will be ventilated. We will refrain from offering foods and beverages.
- We will keep a distance between shareholders’ seats. This measure may not allow you to enter the meeting room if you arrive at the venue at later time.
- There will be no souvenir gifts prepared for the shareholders who attend this meeting in person.

<Requests to shareholders>

- We ask you to refrain from attending the meeting as much as possible. Please exercise your voting rights either in writing by mail or online.
- We ask your cooperation to measure your body temperature, disinfect your hands with alcohol-based hand sanitizer at arrival, and wear a mask at all times.
- Any shareholder who has a fever or other symptom may be refused to enter the venue. If you look unwell, our staff member may ask you a question. Thank you in advance for your understanding.

* If there is a change in the operation of the General Meeting of Shareholders due to future circumstances, such change will be posted on the Company’s website below.

Investor Relations on the Company’s Website

For information on the Company’s General Meeting of Shareholders, please visit its website below.

<https://www.unicharm.co.jp/en/ir.html>

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

(1) Amendments in business purpose

The Company proposes amending the business purpose of its Articles of Incorporation in order to organize the descriptions of business details and flexibly enter potential business domains.

(2) Amendments to prepare the introduction of a system for providing general shareholder meeting materials in electronic format

The revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, the Company proposes amending its Articles of Incorporation in order to prepare the introduction of a system for providing general shareholder meeting materials in electronic format.

2. Details of the amendments

Details of the amendments are as follows.

(Underlined parts are to be amended.)

Current Articles of Incorporation	Proposed amendments
<p>Article 2. (Purpose)</p> <p>The purpose of the Company shall be to engage in the following businesses:</p> <p>1. <u>Manufacture and sale of the following products</u></p> <p>(1) <u>Baby care products including disposable baby diapers, wet tissues, and nursing pads</u></p> <p>(2) <u>Feminine care products including sanitary napkins, panty liners, incontinence liners, sanitary shorts, and tampons</u></p> <p>(3) <u>Clean and fresh products including cleaning sheets, general-use wet tissues, cosmetic puffs, and cleaning products</u></p> <p>(4) <u>Health care products including disposable diapers for adults, nursing items, and masks</u></p> <p>(5) <u>Pet foods and pet care products</u></p> <p>(6) <u>Paper, packaging materials, daily-use products, and clothing</u></p> <p>(7) <u>Cosmetics, pharmaceuticals, quasi-drugs, medical equipment, medical devices, pharmaceuticals for animals, quasi-drugs for animals, fertilizers, feeds, reagents, chemicals, and chemical products</u></p>	<p>Article 2. (Purpose)</p> <p>The purpose of the Company shall be to engage in the following businesses:</p> <p>(1) <u>Manufacture, sale, and import/export of non-woven fabric and absorber products</u></p>

Current Articles of Incorporation	Proposed amendments
<p><u>2. Processing and printing, and, manufacture and sale of the following raw materials and secondary materials</u></p> <p><u>(1) Paper, pulp, cotton, and woven fabric, and by-products thereof</u></p> <p><u>(2) Film and by-products thereof</u></p> <p><u>3. Design, manufacture, installation, and, buying/selling and technical instructions of plants, machinery and equipment, and devices relating to the preceding items</u></p> <p><u>4. Information provision, services implementation and instructions, and training of those technical experts regarding hygiene, health, and nursing</u></p> <p><u>5. Information processing and entrusted communications business, and, development and sale of software</u></p> <p><u>6. Advertisement business, publishing business, and, planning and implementation of various events</u></p> <p><u>7. Management of real estate and rental service, and general leasing business</u></p> <p><u>8. Nonlife insurance agent business and life insurance solicitation business</u></p> <p><u>9. Finance business</u></p> <p><u>10. Warehousing business, road transportation business, trucking business, freight forwarding business, and travel business</u></p> <p><u>11. Operations of facilities including training institutes</u></p> <p><u>12. Worker dispatching undertakings under the Worker Dispatching Act</u></p> <p><u>13. Power generation business through renewable energy and others, and businesses regarding supply, sale, etc. of electricity</u></p> <p><u>14. Import and export of the products, raw materials, and by-products of the preceding items</u></p> <p><u>15. All businesses incidental to the preceding items</u></p>	<p><u>(2) Provision of services regarding hygiene, health, and nursing</u></p> <p><u>(3) All other lawful businesses</u></p>
<p><u>Article 14. (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<p><u>Article 14. (Measures for Providing Information in Electronic Format, Etc.)</u></p> <p><u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of the items designated by the Ministry of Justice Order in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>
(Newly established)	<p><u>Supplementary Provisions</u></p> <p><u>1. The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the new establishment of the proposed revision of Article 14 (Measures for Providing Information in Electronic Format, Etc.) shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, Article 14 of the current Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p><u>3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal No. 2: Election of Three Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all three Directors (here and hereafter in this proposal, excluding Directors who are Audit and Supervisory Committee Members) will expire upon the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of three Directors: Mr. Takahisa Takahara, Mr. Shinji Mori, and Mr. Toshifumi Hikosaka.

In addition, the candidates for Directors were nominated following deliberations by the Nominating Committee, which comprises one Representative Director, two Independent Outside Directors, and one Non-Executive Director.

Candidate No.	Name	Position and responsibilities in the Company	Attendance at meetings of the Board of Directors
1	Takahisa Takahara Re-election	Representative Director, President & CEO	100% (9 out of 9)
2	Shinji Mori Re-election	Director, Vice President overseeing Sales	88.9% (8 out of 9)
3	Toshifumi Hikosaka New appointment	Managing Executive Officer, Co-Chief Research & Development Officer (CDO), General Manager of Global Research & Development Division, Department Manager of Blue Sky Project, and General Manager of Intellectual Property Division	–

No special interest exists between any of the above candidates for Directors and the Company.

The Company has entered into a liability insurance contract with an insurance company for directors and officers, etc., as stipulated in Article 430-3, Paragraph 1 of the Companies Act, to cover damages that may arise from the insured, including Directors of the Company, assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. However, the coverage excludes the events of the insured receiving private profits or benefits illegally, criminal acts by the insured, acts of the insured carried out with recognition of a violation of a law, and other events. If each candidate is elected as Director, each candidate will become an insured under said insurance contract. The Company also plans to renew such insurance contract at the next renewal time.

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
1	<p>Takahisa Takahara (July 12, 1961)</p> <p>Re-election</p> <p>Special interest with the Company None</p> <p>Attendance at meetings of the Board of Directors 100% (9 out of 9)</p>	<p>April 1991 Joined the Company</p> <p>June 1995 Director</p> <p>April 1996 Director, General Manager of Procurement Division and Deputy General Manager of International Division</p> <p>June 1997 Senior Director</p> <p>April 1998 Senior Director, General Manager of Feminine Hygiene Business Division</p> <p>October 2000 Senior Director, Responsible for Management Strategy</p> <p>June 2001 Representative Director, President</p> <p>June 2004 Representative Director, President & CEO (to present)</p> <p>[Significant concurrent positions]</p> <p>Outside Director of Calbee, Inc.</p> <p>Outside Director of Nomura Holdings, Inc.</p>	3,758,451
<p>Reasons for Nomination as a Candidate for Director</p> <p>Mr. Takahisa Takahara has managed global strategy as a Representative Director since 2001. He has exhibited his competence in management by increasing the ratio of overseas sales to more than 60% through proactive expansion in areas. He has also worked to activate the mature Japanese market by providing products with new added value. He has demonstrated his managerial skill to enhance corporate value through these initiatives, which have, since he took office, resulted in sales approximately quadrupling, operating income approximately quintupling, and market capitalization also increasing by almost ten times due to his clear and proactive business strategies and appropriate dissemination of information. In recent years, he has also actively promoted ESG and digital transformation (DX) initiatives, leading the Company to diverse success, including designation of FTSE4Good Index Series for the third consecutive year, reception of the Special Prize in the Environment Sustainable Corporate Segment of the ESG Finance Awards Japan hosted by the Ministry of the Environment (MOE), reception of the highest rank of four stars in the Nikkei Smart Work Management Survey, and designation of the Noteworthy DX Companies 2021 selected in the DX Stocks 2021 by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange. In this manner, he strives to further enhance corporate value by accelerating the penetration of the perception “the business itself is ESG activities.” Additionally, as Chairman of the Board of Directors, Mr. Takahara provides full and appropriate explanations of material matters and serves to enhance the decision-making function of the Board of Directors. Mr. Takahara has been re-nominated as a Director based on the Board’s determination that he is the right person for continuously raising corporate value and the Board requests his re-election as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
2	<p>Shinji Mori (June 17, 1956)</p> <p>Re-election</p> <p>Special interest with the Company None</p> <p>Attendance at meetings of the Board of Directors 88.9% (8 out of 9)</p>	<p>April 1979 Joined the Company</p> <p>April 1994 Branch Manager of the Hiroshima Branch, Sales Division</p> <p>April 1998 Branch Manager of the Osaka Branch, Sales Division</p> <p>June 1999 Deputy Executive Officer</p> <p>June 2000 Executive Officer</p> <p>July 2003 Senior Executive Officer</p> <p>July 2004 Senior Executive Officer (Change in Japanese only; English unchanged)</p> <p>June 2005 Director, Senior Executive Officer</p> <p>October 2005 Director, Senior Executive Officer, General Manager of Sales Division</p> <p>April 2010 Director, Managing Executive Officer</p> <p>January 2014 Director, Managing Executive Officer, President of Unicharm PetCare Company</p> <p>October 2016 Director, Managing Executive Officer, President of Unicharm PetCare Company and General Manager of Japan Sales Head Office</p> <p>January 2017 Director, Managing Executive Officer, General Manager of Japan Sales Head Office</p> <p>January 2018 Director, Vice President and Managing Executive Officer General Manager of Japan Sales Head Office</p> <p>January 2020 Director, Vice President overseeing Sales (to present)</p> <p>[Significant concurrent position] None</p>	71,500
<p>Reasons for Nomination as a Candidate for Director</p> <p>Mr. Shinji Mori, as described in his career summary above, has long experience in the sales division, and unleashed the synergistic effects of the sales division of the personal care and pet care businesses in Japan, as a manager responsible for both businesses. He has actively promoted business structure reforms and the development of EC channels to realize a Cohesive Society in which humans and pets can live together, helping to boost sales and profit as well as contribute to society. In recent years, he has also demonstrated his managerial skill through promotion of white logistics by streamlining manufacturing, distribution, and sale in collaboration with distribution companies, reception of the award under the Excellent Green Logistics Commendation Program in collaboration with business partners (the Logistics Digital Transformation and Standardization Award), and other activities. In addition, he performs appropriate oversight by making active statements in meetings of the Board of Directors regarding global sales strategies from a high level of insight regarding distribution. Mr. Mori has been re-nominated as a Director based on the Board's determination that he is the right person for continuously raising corporate value and the Board requests his re-election as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
3	<p>Toshifumi Hikosaka (August 20, 1960)</p> <p>New appointment</p> <p>Special interest with the Company None</p> <p>Attendance at meetings of the Board of Directors —</p>	<p>February 1982 Joined the Company</p> <p>April 2008 Department Manager of Engineering Development Department, Global Research & Development Division</p> <p>April 2010 Department Manager of Product Innovation Development Department, Global Research & Development Division</p> <p>April 2012 Department Manager of Blue Sky Project, Global Research & Development Division</p> <p>January 2016 Executive Officer, Deputy General Manager of Global Research & Development Division</p> <p>January 2020 Senior Executive Officer and General Manager of Global Research & Development Division</p> <p>January 2022 Managing Executive Officer, Co-Chief Research & Development Officer, General Manager of Global Research & Development Division, Department Manager of Blue Sky Project, and General Manager of Intellectual Property Division (to present)</p> <p>[Significant concurrent position] None</p>	6,800
<p>Reasons for Nomination as a Candidate for Director</p> <p>Mr. Toshifumi Hikosaka, as described in his career summary above, leads the product development, equipment and facilities development, and procurement departments as the officer in charge of the development departments of the Group. He has engaged in optimal management across the Company by allocating people, things, and money from a global perspective. In addition, he has long years of experience in the manufacturing equipment development department, one source of strength of the Group. Through his high level of expertise, he has achieved results in developing cutting-edge equipment and facilities, building global production systems, and enhancing production quality. Through Kyushu Factory, which commenced its operation in 2019 and is positioned as a smart factory, he leads the utilization of control systems and robots to achieve labor saving and efficiency improvement. Along with other activities, he has been vigorously promoting the future manufacturing technology reform of the Group. In the product development field, he engages in proposing added value looking ahead to the consumer needs of each area from a medium- to long-term perspective while developing business bases globally, and also takes initiatives in reducing environmental burden. Through these initiatives, he plays an essential managerial role toward the achievement of SDGs, the purpose of the Company. Mr. Hikosaka has been nominated as a Director based on the Board's determination that he is the right person for continuously raising corporate value of the Company and the Board requests his new appointment as a Director.</p>			

Summary of the opinion of the Audit and Supervisory Committee

The Audit and Supervisory Committee conducted a deliberate investigation of the candidates for Directors to determine if each candidate has the necessary knowledge, experience, and skills and can carry out the roles and responsibilities of a Director, and whether the composition of the Board of Directors has both diversity and an optimal size and will function effectively, taking into consideration factors such as the Company's specific management strategies and the business environment. The Committee also determined that the Nominating Committee (at least half of whose members are outside Directors) deliberated on the roles and allocation of functions of Directors and Executive Officers, the work experience of the candidates for Directors, and other factors. The Committee further determined that the nominated individuals possess specialized knowledge and extensive experience and have deep understanding of the Company's management philosophy and methods and that the individuals selected are capable of performing the roles expected of the Board of Directors, including raising corporate value by making decisions regarding the medium- to long-term management policies and supervising overall management. The Committee therefore concluded that the candidates for Directors nominated pursuant to this proposal are suitable.

The Audit and Supervisory Committee conducted a deliberate investigation of whether the remuneration of the Representative Director and Directors (excluding Directors who are Audit and Supervisory Committee Members) reflects the performance results and potential risks of the Company over the medium to long term. The Committee investigated from perspectives such as whether the ratio of remuneration linked to performance is appropriately set, whether the ratio of cash remuneration and share-based remuneration is appropriate, and whether remuneration is determined through fair and appropriate procedures. In addition, the Committee determined that the Compensation Committee (a majority of whose members are outside Directors) deliberated on the clarification of evaluation criteria, and other factors and determined that, in light of the Company's performance, remuneration levels are appropriately set for roles and work duties and the ratio of cash remuneration and share-based remuneration is appropriate, and therefore, the Committee determined that the details of the Company's remuneration are appropriate.

(Reference)

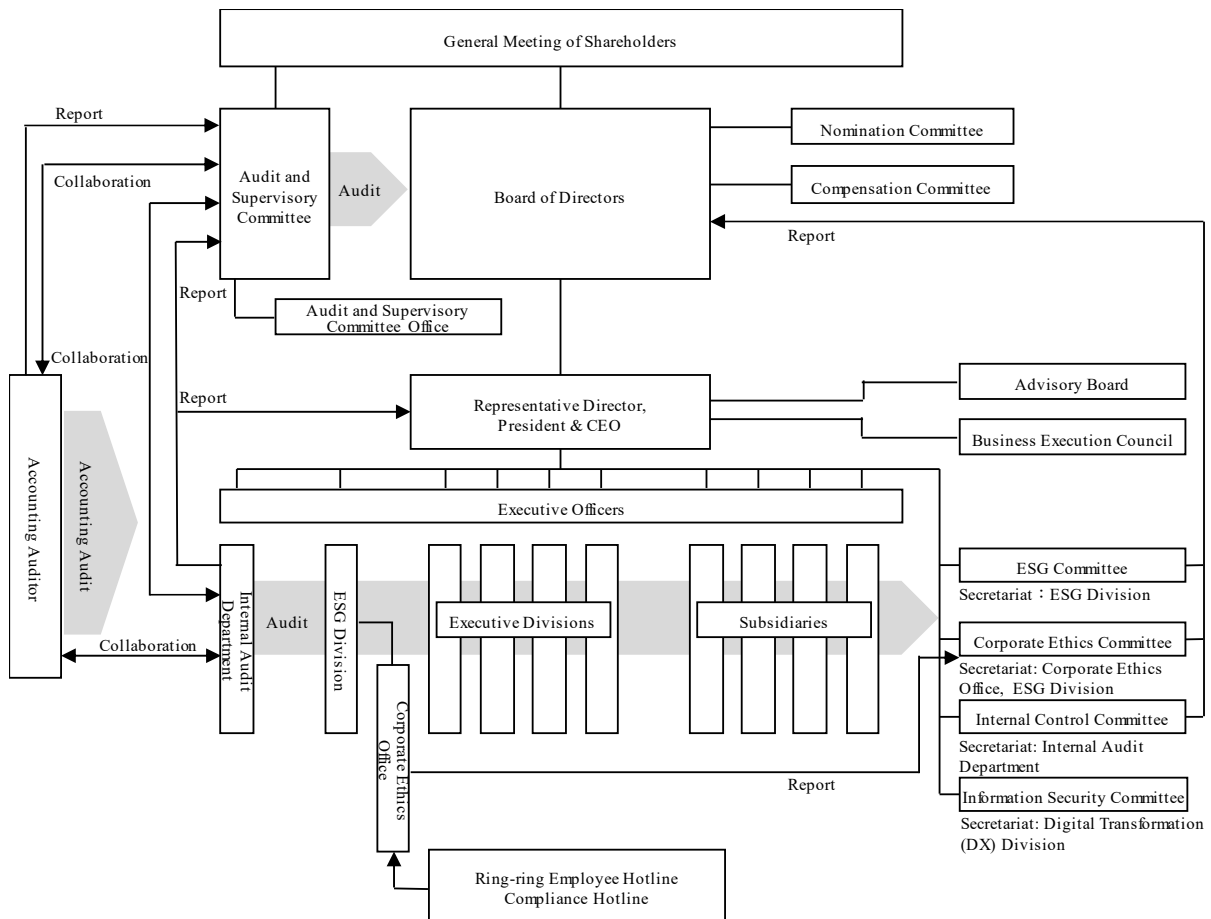
Overview of Corporate Governance of the Company

Basic views

We strive to achieve sustainable growth and create medium- and long-term corporate value by securing appropriate collaboration with stakeholders and becoming a company that is recognized and trusted by society, thereby leading to the promotion of “sound corporate management.”

In order to realize these objectives, we have established a basic policy of corporate governance that achieves transparent, fair, expeditious and decisive management by conducting honest and active dialogue to obtain support from various stakeholders and work to improve ESG and a corporate environment where management can make appropriate decisions at the right time.

Corporate governance structure



Nomination of Director candidates

The Company sets the achievement of SDGs, which means contributing to the realization of a cohesive society, as its purpose (significance of existence). By supervising management in order to give appropriate consideration to various stakeholders and ensure transparent and fair decision-making, the Company's Board of Directors plays a role in achieving sustainable growth and creating medium- to long-term corporate value through obtaining recognition and trust from society and encouraging expeditious and decisive management. The Company believes it necessary that the Board of Directors is well balanced with respect to necessary knowledge, experience, and capabilities to effectively fulfill its roles, and that the Board of Directors shall be constituted in such a manner as to accommodate diversity while keeping an appropriate size.

The Company believes it desirable to elect Directors who have management experience in adjusting interests of various stakeholders in order for the Board of Directors to effectively supervise management while maintaining an appropriate size and giving appropriate consideration to various stakeholders. As the Company adopts the structure of a Company with Audit and Supervisory Committee, it also believes it necessary that Directors who are Audit and Supervisory Committee Members, as a whole, have the necessary knowledge, experience, and capabilities to conduct effective audits.

	Takahisa Takahara President & CEO <input type="checkbox"/> Nominating <input type="checkbox"/> Compensation	Shinji Mori Vice President	Toshifumi Hikosaka Managing Executive Officer	Hiroko Wada Audit and Supervisory Committee Member <input type="checkbox"/> Nominating <input type="checkbox"/> Compensation <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Hiroaki Sugita Audit and Supervisory Committee Member <input type="checkbox"/> Nominating <input type="checkbox"/> Compensation <input type="checkbox"/> Outside <input type="checkbox"/> Independent	Shigeru Asada Audit and Supervisory Committee Member (Full-time) <input type="checkbox"/> Nominating <input type="checkbox"/> Compensation
Corporate management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finance and accounting	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate governance	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human resource development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overseas business	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
Marketing	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
Distribution strategy		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
Development and production			<input type="checkbox"/>			
Quality			<input type="checkbox"/>			
DX					<input type="checkbox"/>	

<input type="checkbox"/> Nominating	Nominating Committee Member
<input type="checkbox"/> Compensation	Compensation Committee Member
<input type="checkbox"/> Outside	Outside Director
<input type="checkbox"/> Independent	Independent Director

In the 11th Medium-term Management Plan, the Company states five strategies: (1) Strengthen and infiltrate human resource development; (2) Use DX and strengthen the brand by exploring the deep psyche of customers; (3) Analyze the principles of “Monozukuri” (manufacturing excellence) thoroughly to build optimal processes; (4) Focus on new growth pillars; and (5) Establish recycling value chain. The Company believes that the knowledge, experience, and capabilities regarding these strategic areas are useful for the Board of Directors to enhance supervisory function of corporate management is delivered.

Nomination of candidates for Directors shall be determined by the Board of Directors upon hearing the opinions of the Nominating Committee, which is comprised of one Representative Director, President & CEO and two Independent Outside Directors and one other Non-Executive Director, and chaired by an Independent Outside Director. If candidates for Directors listed in Proposal No. 2 are elected as originally proposed, the composition of the Board of Directors of the Company and the combination of skills, etc. of Directors will be as shown in the chart of the preceding page.

Remuneration for Directors

Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) and calculation policy thereof shall be determined, comprehensively considering the suitability to their roles and responsibilities expected of the Company’s Directors, the motivation for improvement of performance and corporate value, and securing excellent human resources, etc. The amount of remuneration for each individual is determined by the Representative Director who is entrusted by the Board of Directors, through the evaluations of the Compensation Committee, which comprises one Representative Director, President & CEO, two Independent Outside Directors, and one other Non-Executive Director, and is chaired by an Independent Outside Director.

Composition of remuneration		Composition ratio
Basic remuneration	Fixed remuneration will be determined for each position in line with responsibilities.	37.5%
Performance-linked remuneration	As a short-term incentive, to be set in the range of 0 to 200% of the basic remuneration amount depending on performance results for one year.	37.5%
Restricted share-based remuneration	As an incentive to increase corporate value over the medium to long term, the Company will allocate restricted shares equivalent to 33% to 100% of the basic remuneration amount according to the performance results.	25.0%

Key performance indicators		Composition ratio
Consolidated earnings	Consolidated net sales, core operating income, profit attributable to owners of parent	50.0%
Company-level focal strategies	Priority strategies, ratings of ESG agencies, etc.	50.0%

The Company may require Directors to return part of their remuneration without contribution in the event of material accounting frauds, substantial losses to take responsibility for such occurrences. In addition, remuneration for Directors who are Audit and Supervisory Committee Members is only fixed remuneration and is determined by consultation with Directors who are Audit and Supervisory Committee Members. See page 39 for the total amount (actual) of Directors’ remuneration for the fiscal year ended December 31, 2021 (in Japanese only).

(Reference)

Kyo-sei Life Vision 2030

At Unicharm, we are committed to helping solve environmental and social issues as we work together to realize a cohesive society. In October 2020, we put forward Unicharm Group’s mid-to-long term environmental, social, and corporate governance (ESG) goals in a document called “Kyo-sei Life Vision 2030 — For a Diverse, Inclusive, and Sustainable World.” In this declaration, we bring our vision for 2030 into sharper focus, explicating the key initiatives and targets that we believe will help us achieve our goals. By steadily implementing “Kyo-sei Life Vision 2030,” we are committed to solving environmental and social issues and contributing to consumers and communities, while continuing to grow our business.

Safeguarding the well-being of individuals

Our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives.

Key initiatives	Indicators	Target value	Target year
Extension of healthy life expectancy and improvement of QOL	Percentage of products and services that contribute to the realization of a society where everyone can have a sense of individuality.	100%	2030
Support for a society where gender and sexual orientation do not restrict people’s activities	Percentage of products and services that contribute to a society where people around the world are free from discrimination by gender or sexual orientation (including products and services that contribute to the elimination of sexual discrimination still present in certain countries and regions).	100%	2030
Coexistence with partner animals (pets)	Percentage of products and services that contribute to the realization of a society where partner animals (pets) are welcomed by family members and community residents.	100%	2030
Improvement of childcare	Percentage of products and services that contribute to the realization of a society where infants and their families can live healthily and happily.	100%	2030
Improvement of public hygiene	Percentage of products and services that contribute to activities which can reduce the spread of preventable infectious diseases (contact transmission or droplet transmission).	100%	2030

Safeguarding the well-being of society

Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers, but also contribute to solving social issues and promoting sustainability.

Key initiatives	Indicators	Target value	Target year
Innovations to achieve “NOLA & DOLA”	Percentage of products and services that contribute to liberation from various burdens and finding enjoyment in life.	100%	2030
Practicing sustainable lifestyles	Percentage of products and services suitable for the “SDGs Theme Guideline,” an internal guideline for contributing to sustainability.	50%	2030
Construction of value chains that take account of sustainability	Percentage of products and services that use raw materials procured from local production for local consumption, thereby contributing to local economies based on the perspectives of the environment, society, and human rights.	Double (Compared to 2020)	2030
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share).	50%	2030
Provision of safe, reliable products	Percentage of products to which a new internal guideline for safety and quality has been set and certification has been granted.	100%	2030

Safeguarding the well-being of our planet

Our aim is to provide products and services that are sanitary and convenient, as well as contribute to activities that improve our planet’s environment.

Key initiatives	Indicators	Target value	Target year
Development of eco-friendly products	Number of products and services that implement “3Rs + 2Rs” based on Unicharm’s unique approach.	10 or more	2030
Addressing climate change	Percentage of renewable energy used for business operations in total.	100%	2030
Expanding our line of recycled models	Number of disposable paper diaper recycling facilities introduced.	10 or more	2030
Promotion of product recycling	Material recycling of non-woven products using recycling resources.	Start of commercial usage	2030
Reduction of the amount of plastic materials used	Percentage of virgin plastics to total plastics.	Reduced by half (Compared to 2020)	2030

Unicharm Principles

Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.

Key initiatives	Indicators	Target value	Target year
Management practices that take sustainability into account	Maintain and improve ratings by external evaluation agencies.	Highest level	Every year starting from 2026
	Number of serious human rights violations in the value chain.	Zero occurrences	Every year
Practice of appropriate corporate governance	Number of serious compliance violations.	Zero occurrences	Every year
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women.	30% or more	2030
Fostering the development of competent human resources	Percentage of positive answers received for the “Growth through Work” employee awareness survey.	80% or more	2030
Construction of healthier workplaces and workplace safety systems	Reduction in the percentage of employees on leave for mental or physical health reasons by improving the workplace environment so that employees can work with peace of mind and maintain mental and physical health.	Reduced by half (Compared to 2020)	2030

The overall description of “Kyo-sei Life Vision 2030” is posted on the Company’s website.

Please visit the website below.

<https://www2.unicharm.co.jp/english/csr/kyoseilifevision/index.html>

(Reference)

11th Medium-Term Management Plan (from 2021 to 2023)

As “new normal” penetrates the global market of business areas surrounding the Group due to the impact of the COVID-19 pandemic, we work to propose new products and services utilizing digital transformation (DX) and establish a recycling society in mature markets, while expanding growth segments such as wellness care and pet care in growth markets and developing new markets including Africa. Through those initiatives, we have formulated and implemented the 11th Medium-Term Management Plan to contribute to the achievement of SDGs, which are our purpose (significance of existence), and realize a cohesive society.

We aim to achieve consolidated net sales of ¥1,400.0 billion by the fiscal year ending December 31, 2030, and according to the 11th Medium-Term Management Plan, our financial targets include projected consolidated net sales of ¥888.0 billion, CAGR (annual average growth rate) of net sales of 6.9%, core operating income ratio of 15.5%, and ROE of 15.0% in the fiscal year ending December 31, 2023.

For details, please refer to the Company’s website.

<https://www.unicharm.co.jp/en/ir.html>

