

TRANSLATION FOR REFERENCE PURPOSES ONLY

This notice has been translated from the original Japanese text of the timely disclosure statement dated February 22, 2023 and is for reference purposes only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.



February 22, 2023

To whom it may concern

Listed Company Name: **Unicharm Corporation**
Company Representative: Takahisa Takahara,
Representative Director
President and Chief Executive Officer
(Code Number: 8113; Prime Market, Tokyo Stock Exchange)
Contact Person: Hirotatsu Shimada,
Managing Executive Officer,
General Manager of Accounting
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Notice Concerning Company Split (Simplified Absorption-Type Company Split)

Unicharm Corporation (the “Company”) hereby announces that, at the meeting of the Board of Directors held on February 22, 2023, the Company has resolved to have a portion of the rights and obligations held by the Company in relation to the production and logistics functions of the Pet Care Business succeeded to its wholly owned subsidiary Unicharm Products Co., Ltd. (“Unicharm Products”) using the company split method with an effective date of January 1, 2024 (planned), as described below.

As the company split is a simplified absorption-type company split carried out between the Company and its wholly owned subsidiary, a portion of the matters to be disclosed and details are omitted.

1. Purpose of the Company Split

- I. Realize the increase of the Group’s overall flexibility by integrating its production and logistics functions with Unicharm Products, and ensure the resilience of the value chain under the “New Normal” environment in which changes have become normalized.
- II. Realize the strengthening of human capital, which is indispensable for global development, by unifying the training and promotion of the human resources who are engaged in production and logistics functions.
- III. Realize the creation of new added value by fusing the differing knowledge of non-woven fabric and absorber processing and forming technology possessed by Unicharm Products with the pet food production technology possessed by Pet Care Production Division of the Company.

2. Summary of the Company Split

(1) Timetable for the company split

Date of resolution at the meeting of the Board of Directors	February 22, 2023
Date of conclusion of the agreement	February 22, 2023
Scheduled date of the company split (Effective date)	January 1, 2024 (scheduled)

(Note) As the absorption-type company split is a simplified absorption-type company split in accordance with Article 784 (2) of the Companies Act for the Company, the splitting company, and an summary absorption-type company split in accordance with Article 796 (1) of the Companies Act for Unicharm Products, the successor company, both companies plan to carry it out without obtaining approval of the absorption-type company split agreement at the meeting of shareholders.

(2) Type of the company split

This is an absorption-type company split in which the Company will be the splitting company and Unicharm Products will be the successor company.

(3) Details of allotment related to the company split

There will be no allocation of consideration for the company split.

(4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the company split

Not applicable.

(5) Increase or decrease in capital stock due to the company split

There will be no change in the Company's capital stock due to the company split.

(6) Rights and obligations to be succeeded by successor company

Of the rights and obligations, such as assets, liabilities and contractual status, related to the company split, the items prescribed in the absorption-type company split agreement will be assumed by Unicharm Products.

(7) Prospect of fulfillment of obligations

The Company has judged that there will be no issue with the prospects for performance of the obligations that will be borne by Unicharm Products, the successor company, after the effective date of the company split.

3. Overview of Companies Involved in the Company Split

	Splitting company	Successor company
(1) Name	Unicharm Corporation	Unicharm Products Co., Ltd.
(2) Location	182 Shimobun, Kinsei-cho, Shikokuchuo-City, Ehime, Japan	130 Shimobun, Kinsei-cho, Shikokuchuo-City, Ehime, Japan
(3) Job title and name of representative	Representative Director, President and Chief Executive Officer Takahisa Takahara	Representative Director, President and Chief Executive Officer Shinobu Seki
(4) Description of business	Sales of products related to baby care, feminine care, wellness care, Kirei care, pet care and food packaging materials, etc.	Manufacture of products related to baby care, feminine care, wellness care, Kirei care, pet care and food packaging materials, etc.
(5) Capital stock	¥15,993 million (As of December 31, 2022)	¥200 million (As of December 31, 2022)
(6) Date of establishment	February 10, 1961	January 1, 2002
(7) Number of issued shares	620,834,319 shares (As of December 31, 2022)	579,700 shares (As of December 31, 2022)
(8) As of / Fiscal year ended	December 31	December 31
(9) Major shareholders and ownership ratios	Unitec Corporation 24.95% The Master Trust Bank of Japan, Ltd. (Trust account) 11.20% (As of December 31, 2022)	Unicharm Corporation 100% (As of December 31, 2022)

(10) Operating results and financial positions for the last three years

Unicharm Corporation (IFRS) (Consolidated)			
As of / Fiscal year ended	December 31, 2020	December 31, 2021	December 31, 2022
Equity attributable to owners of parent (Millions of Yen)	493,002	557,639	618,883
Total assets (Millions of Yen)	893,413	987,655	1,049,218
Equity attributable to owners of parent per share (Yen)	822.19	935.03	1,043.17
Net sales (Millions of Yen)	727,475	782,723	898,022
Core operating income (Millions of Yen)	114,744	122,482	119,566
Profit before tax (Millions of Yen)	95,849	121,977	115,708
Profit attributable to owners of parent (Millions of Yen)	52,344	72,745	67,608
Basic earnings per share (Yen)	87.60	121.78	113.61

Unicharm Products Co., Ltd. (J-GAAP) (Non-consolidated)			
As of / Fiscal year ended	December 31, 2020	December 31, 2021	December 31, 2022
Net assets (Millions of Yen)	60,275	64,201	68,399
Total assets (Millions of Yen)	117,413	118,351	126,438
Net assets per share (Yen)	103,975.82	110,748.97	117,990.88
Net sales (Millions of Yen)	173,192	176,236	186,054
Operating income (Millions of Yen)	17,184	15,760	14,149
Ordinary income (Millions of Yen)	17,372	15,945	13,887
Profit (Millions of Yen)	12,076	10,999	9,531
Earnings per share (Yen)	20,830.78	18,973.15	16,441.91

4. Overview of Business Division to be Split

(1) Description of business of division to be split

Production and logistics functions for the Pet Care Business

(2) Operating results of division to be split

Net sales: ¥— million (Fiscal year ended December 31, 2022)

(3) Items and book value of assets and liabilities to be split

(Millions of Yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	5,910	Current liabilities	12,597
Non-current assets	5,500	Non-current liabilities	445
Total	11,410	Total	13,043

(Note) As the above amounts are the amounts as of December 31, 2022, the actual amounts of assets and liabilities to be succeeded will be finalized after adding or subtracting any changes made up to the effective date.

5. Status After the Company Split

There will be no change to the Company's name, location, representatives, business details, capital stock or fiscal year-end as a result of the company split.

6. Future Outlook

The company split has an immaterial impact on the consolidated business results.

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