

TRANSLATION FOR REFERENCE PURPOSES ONLY

This notice has been translated from the original Japanese text of the timely disclosure statement dated February 21, 2020 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 21, 2020

To whom it may concern

Listed Company Name: Unicharm Corporation
Company Representative: Takahisa Takahara,
President and Chief Executive Officer
(Code Number: 8113; First Section, Tokyo Stock Exchange)
Contact Person: Hirotatsu Shimada,
Executive Officer, General Manager of
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Notice Concerning Introduction of Restricted Share-Based Remuneration Plan

Unicharm Corporation (the “Company”) hereby announces that, at its Board of Directors meeting held on February 21, 2020, it revised the remuneration plan for Directors and resolved to introduce a restricted share-based remuneration plan (hereinafter the “Plan”) and submit a proposal related to the Plan as a matter to be resolved at the 60th Ordinary General Meeting of Shareholders to be held on March 25, 2020 (hereinafter the “General Meeting of Shareholders”). The details are as follows.

1. Purposes etc. for Introducing the Plan

(1) Purposes for Introducing the Plan

The Plan is intended to provide an incentive for Directors excluding outside Directors and Directors who are Audit and Supervisory Committee Members of the Company (hereinafter “Eligible Directors”) to sustainably increase the Company’s corporate value and further promote shared values with shareholders.

(2) Conditions for Introducing the Plan

Because the Plan involves paying monetary claims as remuneration to the Eligible Directors to grant them restricted shares that are subject to undermentioned restriction, a condition for the introduction of the Plan is that shareholder approval at the General Meeting of Shareholders must be obtained regarding payment of the related remuneration.

Although, at the 55th Ordinary General Meeting of Shareholders, held on March 27, 2015, the maximum remuneration amount for Directors of the Company of 1,000 million yen per year was approved, at the General Meeting of Shareholders, the Company plans to obtain the approval of shareholders to newly

introduce the Plan and to set the remuneration amount related to the Plan to within the existing remuneration limit for the Eligible Directors.

2. Overview of the Plan

Eligible Directors shall pay all monetary remuneration claims to be paid to them by the Company under the Plan, in the form of property contributed in kind, and shall, in return, receive common shares of the Company that shall be issued or disposed of by the Company.

The total amount of monetary remuneration claims to be paid to the Eligible Directors under the Plan shall be not more than 250 million yen per year. The specific timing and allocation of payment to the Eligible Directors shall be determined by resolution of the Board of Directors.

The total number of common shares newly issued or disposed of by the Company under the Plan shall be 75,000 shares or less annually (provided, however, that, if the Company performs a share split of the Company's common shares (including allotment of the Company's common shares without contribution) or a consolidation of such shares with the effective date of the date of resolution at the General Meeting of Shareholders or later, the relevant total number shall be reasonably adjusted as necessary in accordance with the share split or consolidation ratio on or after the date of effect of the share split or consolidation), and the amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before the date of each resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) and as an amount within the extent that it will not be particularly advantageous to Eligible Directors who subscribe to the Company's common shares. The Company expects to dispose of treasury shares held by the Company to prepare for the allotment of shares to Eligible Directors.

The issuance or disposal of common shares of the Company (hereinafter the "Shares") under the Plan shall be conditional that an agreement on the allotment of restricted shares shall be entered into between the Company and the Eligible Directors who are to receive payment of restricted share-based remuneration and include such provisions as (1) there shall be a prohibition on transfers, creation of security interest, or any other disposal of the Shares to third parties for a certain time period (hereinafter the "Restricted Period"); and (2) in the event that certain circumstances arise, the Company shall acquire the Shares without contribution. The Company plans to have Eligible Directors open dedicated accounts at Nomura Securities Co., Ltd. for the management of the Shares during the Restricted Period, so the Eligible Directors cannot transfer the shares, create security interests, or otherwise dispose of the shares during the Restricted Period.

In addition to Eligible Directors, the Company plans to pay the same restricted share-based remuneration as those paid to Eligible Directors to Executive Officers not serving concurrently as Directors of the Company as stipulated by the resolution of the Board of Directors, and newly issue or dispose of common shares of the Company.

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