

These documents have been translated from a part of the Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

(Securities Code: 8113)  
March 4, 2020

**To Shareholders with Voting Rights:**

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

**NOTICE OF CONVOCAATION OF  
THE 60TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 60th Ordinary General Meeting of Shareholders of UNICHARM CORPORATION (the “Company”). The meeting will be held as described below.

If you are unable to attend the meeting, 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 Tuesday, March 24, 2020 (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 Tuesday, March 24, 2020 (Japan time).

- 1. Date and Time:** Wednesday, March 25, 2020 at 10:00 a.m. (Reception starts at 9:00 a.m.) (Japan time)
- 2. Place:** Meeting Room 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 60th Fiscal Year (from January 1, 2019 to December 31, 2019) 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 60th Fiscal Year (from January 1, 2019 to December 31, 2019)

**Matters to be resolved:**

**Proposal No. 1:** Election of Three Directors (excluding Directors who are Audit and Supervisory Committee Members)

**Proposal No. 2:** Determination of Remuneration for Granting Restricted Shares to Directors (excluding Directors who are Audit and Supervisory Committee Members)

---

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 (<http://www.unicharm.co.jp/ir/index.html>) 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 (<http://www.unicharm.co.jp/ir/index.html>).

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

**Proposal No. 1:** 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. Eiji Ishikawa, and Mr. Shinji Mori.

Mr. Eiji Ishikawa and Mr. Shinji Mori also concurrently served as Executive Officers through December 31, 2019. However, they have served as Directors not serving concurrently as Executive Officers since January 1, 2020, to ensure that the Board of Directors sets the Company's medium- to long-term direction and more appropriately performs its supervisory function over execution.

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

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	Eiji Ishikawa Re-election	Director, Vice President overseeing Production, Research & Development	100% (9 out of 9)
3	Shinji Mori Re-election	Director, Vice President overseeing Sales	88.9% (8 out of 9)

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

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 &amp; CEO (to present)</p> <p>[Significant concurrent position] Outside Director of Calbee, Inc.</p>	3,699,951
<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 with stringent risk management. He has also worked to activate the mature Japanese market by providing products with new added value from the perspective of the consumer. He has demonstrated his managerial skill by expanding earnings through these initiatives, which have resulted in sales and operating income more than tripling since he took office. He has also promoted ESG management, successfully developing the world's first method of recycling used paper diapers as new paper diapers. Additionally, as Chairman of the Board of Directors, Mr. Takahara provides full and appropriate explanations of material management matters from a perspective of substantial insight 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>Eiji Ishikawa (October 19, 1955)</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>February 1980    Joined the Company</p> <p>October 1996    Department Manager of Production Planning Office, Production Division</p> <p>April 1998        General Manager of Production Division</p> <p>June 1999        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>April 2010         Director, Managing Executive Officer</p> <p>January 2018     Director, Vice President and Managing Executive Officer</p> <p>                         Chief Quality Officer and General Manager of Global Research &amp; Development Division</p> <p>                         Representative Director President &amp; CEO of Unicharm Products Co., Ltd.</p> <p>January 2020     Director, Vice President overseeing Production, Research &amp; Development (to present)</p> <p>[Significant concurrent position] None</p>	31,500
<p>Reasons for Nomination as a Candidate for Director</p> <p>Mr. Eiji Ishikawa, as described in his career summary above, has made great achievements, as a manager mainly responsible for production departments such as product development and production subsidiaries, etc. in improving the production quality, reducing manufacturing costs, improving product development capabilities, and globally expanding production and product development bases. He performs appropriate oversight of management by actively stating his opinion on supply chains and quality control with a global perspective in meetings of the Board of Directors in his role as the Director responsible for production divisions. Mr. Ishikawa 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>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>	62,300
<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 addition, he performs appropriate oversight of management 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>			

### **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. As a result of its investigation, the Committee 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 conduct of business. The Committee therefore concluded that the candidates for Directors nominated pursuant to this proposal are suitable.

**Proposal No. 2: Determination of Remuneration for Granting Restricted Shares to Directors (excluding Directors who are Audit and Supervisory Committee Members)**

As part of the revision to the remuneration plan for Directors, the Company is intended to provide incentives 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. This will involve granting restricted shares as remunerations of an amount (total amount) of up to ¥250 million per year. The specific timing and allocation of payment to the Eligible Directors shall be determined by resolution of the Board of Directors.

At the 55th Ordinary General Meeting of Shareholders, held on March 27, 2015, the maximum amount of remunerations (total amount) for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) of ¥1,000 million per year was approved. However, the Company proposes that the amount of remunerations for granting restricted shares proposed here is within the framework for the amount of remunerations approved at the 55th Ordinary General Meeting of Shareholders.

The number of Eligible Directors will be three if Proposal No. 1 “Election of Three Directors (excluding Directors who are Audit and Supervisory Committee Members)” is approved as originally proposed. In addition, the content of this proposal was determined based on deliberation by the Compensation Committee, which comprises one Representative Director, one Non-Executive Director, and two Independent Outside Directors.

**Allocation of restricted shares**

Based on a resolution of the Board of Directors of the Company, the Eligible Directors shall receive the Company’s shares to be issued or disposed of and the total number of shares newly issued or disposed of shall be 75,000 shares or less annually. However, in the case of a share split or share consolidation, or any other reason necessary to adjust the total number of the Company’s shares issued or disposed of as restricted shares, the total number will be adjusted to a reasonable extent. The Company expects to dispose of treasury shares held by the Company to prepare for the allotment of shares to Eligible Directors.

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 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 favorable to Eligible Directors who subscribe to the Company’s shares. In issuing or disposing of the Company’s shares, the Company and the Eligible Directors shall conclude an agreement on the allotment of restricted shares that includes the following details.



**Details of an agreement on the allotment of restricted shares**

(1) Restriction Period	The Eligible Directors shall be prohibited from transfers, creation of security interest, or any other disposal (hereinafter “Transfer Restrictions”) of the allotted shares of the Company (hereinafter “Allotted Shares”) for three years from the date of the allotment (hereinafter “Restriction Period”).
(2) Treatment on retirement from the position	If an Eligible Director resigns or retires from the position of Director of the Company or other positions prescribed by the Board of Directors before the Restriction Period expires, the Company shall automatically acquire such Allotted Shares without contribution unless there are justifiable reasons for the retirement from office, such as expiration of the term of his/her office or death.
(3) Lifting of transfer restrictions	The Company shall lift the Transfer Restrictions of all of the Allotted Shares upon the expiration of the Restriction Period, on the condition that the Eligible Directors have remained in the position of Director of the Company or other positions prescribed by the Board of Directors during the Restriction Period. However, if an Eligible Director resigns or retires from the position of Director of the Company or other positions prescribed by the Board of Directors before the expiration of the Restriction Period due to expiration of the term of his/her office, death, or other justifiable reasons specified in (2) above, the Company shall rationally adjust the number of the Allotted Shares for which the Transfer Restriction is to be lifted and the timing of lifting as necessary. In addition, immediately after the Transfer Restrictions are lifted in accordance with the above provisions, the Company shall automatically acquire the Allotted Shares whose Transfer Restrictions have not been lifted without contribution.
(4) Clawback provision	The Eligible Directors shall return all or part of the Allotted Shares without contribution in the event of material accounting frauds or substantial losses, to take responsibility for such occurrences.
(5) Treatment during reorganization, etc.	If, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company’s General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company’s General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. In addition, immediately after the Transfer Restrictions are lifted in accordance with the above provisions, the Company shall automatically acquire the Allotted Shares whose Transfer Restrictions have not been lifted without contribution.
(6) Other items	Other matters concerning an agreement on the allotment of restricted shares shall be determined by the Board of Directors of the Company.

**(Reference)**

If this proposal is approved, the Company plans to introduce a similar restricted share-based remuneration plan for Executive Officers of the Company.

### **Summary of the opinion of the Audit and Supervisory Committee**

The payment of monetary claims as remuneration for granting restricted shares to Directors excluding outside Directors and Directors who are Audit and Supervisory Committee Members of the Company is aimed at providing an incentive to sustainably increase the Company's corporate value and further promote shared values with shareholders. The Audit and Supervisory Committee has carefully considered the terms of the Restriction Period, treatment on retirement from the position, lifting of Transfer Restrictions, and treatment during reorganization, etc. and other matters related to this plan. As a result, discussions were held at the Compensation Committee (at least half of whose members are outside Directors), the conditions for granting monetary claims as remuneration for granting restricted shares were appropriately set, and the Committee thus determined that the details of the remuneration are appropriate.

(Reference)

## Overview of Remuneration Plan for Directors of the Company

Remuneration for Directors of the Company and policy thereof shall be determined, comprehensively considering the motivation for improvement of performance and corporate value and securing excellent human resources, etc., which shall be a level appropriate to their roles and responsibilities.

Following the enforcement of the Companies Act, the Company's shareholders approved a resolution to abolish retirement benefits and include bonuses in remuneration at the 47th Ordinary General Meeting of Shareholders held on June 26, 2007. Remunerations for Directors are now only a total annual amount. Please see page 35 for the status of share acquisition rights held by the Directors of the Company (in Japanese only).

### 1. Basic principles

The Company's basic policy regarding remunerations for Directors is as follows. Remuneration levels are set based on a comparison with companies in the same industry and similar-sized companies in Japan and overseas, and on the Company's financial condition. See page 37 for the total amount (actual) of Directors' remuneration for the fiscal year ended December 31, 2019 (in Japanese only).

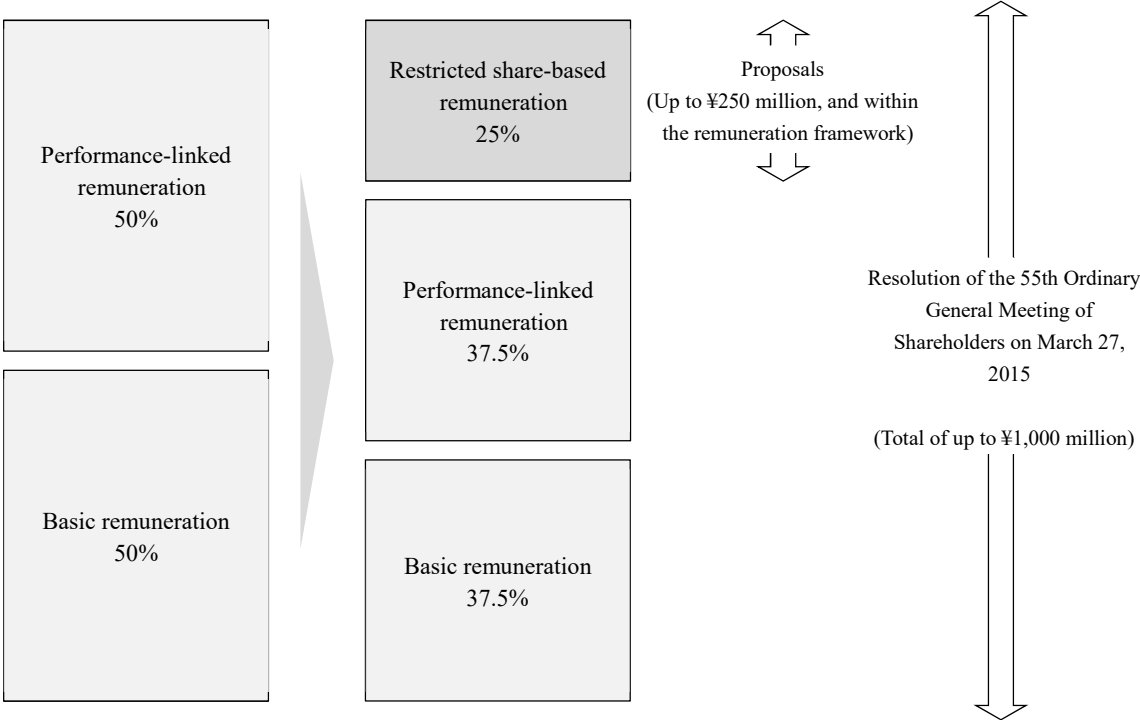
- (1) Remuneration contributable to the sustainable growth and medium- to long-term increase of corporate value
- (2) Remuneration plan that is linked closely with performance and motivates the fulfillment of management plans and the achievement of results of the Company
- (3) Remuneration level which attracts and retains "talented personnel" who are capable of company management
- (4) Highly transparent and objective process for determining remuneration

### 2. Process for determining remuneration

The remuneration and related policies for Directors (excluding Directors who are Audit and Supervisory Committee Members) are deliberated and decided by the Compensation Committee, which comprises one Representative Director, one Non-Executive Director, and two Independent Outside Directors, for the purpose of ensuring transparency and objectivity. However, if a resolution of the Board of Directors is required by laws and regulations, the Board of Directors shall consider and make a decision while respecting the proposal of the Compensation Committee. Remuneration for Directors who are Audit and Supervisory Committee Members is determined by consultation with Directors who are Audit and Supervisory Committee Members.

3. Composition of remuneration

The remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) currently consists of basic and performance-linked remuneration. However, we have currently proposed granting restricted share-based remuneration to incentivize efforts to sustainably increase the Company’s corporate value and further promote shared values with shareholders. Directors who are Audit and Supervisory Committee Members receive only fixed remuneration.



Basic remuneration	Fixed remuneration will be determined for each position in line with responsibilities.
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.
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.

4. Key performance indicators

Indicators for determining performance-linked remuneration and restricted share-based remuneration for the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

Indicators		Composition ratio
Consolidated earnings	Consolidated net sales, core operating income, profit for the period	50%
Company strategy	Priority strategy, ratings of ESG rating agencies	50%