

Corporate Social Responsibility Report

2012

Digest Version

Gentle care for life



Overview of the Unicharm Group

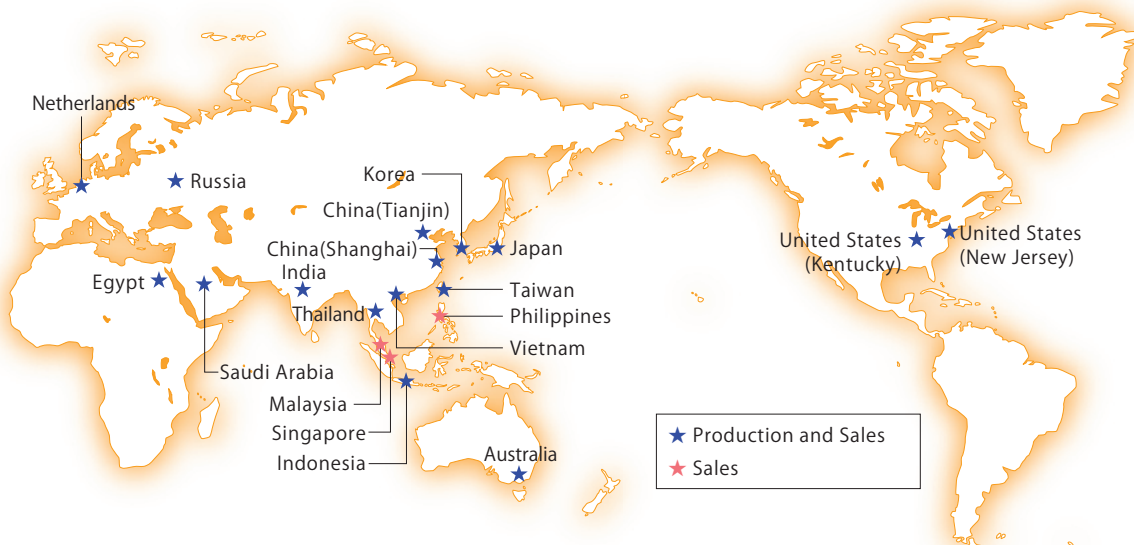
Company Profile

Corporate Name	Unicharm Corporation UNICHARM CORPORATION
Date of Establishment	February 10, 1961
Capital	15,992 million yen (as of March 31, 2012)
Number of Shares Issued	206,944,773 (as of March 31, 2012)
Headquarters	Sumitomo Fudosan Mita Twin Bldg. West Wing, 3-5-27 Mita, Minato-ku, Tokyo, Japan
Registered Headquarters	182 Shimobun, Kinsei-cho, Shikokuchuo-City, Ehime, Japan
Number of employees	10,287 (on a consolidated basis as of March 31, 2012)
Listed Exchange	First Section of the Tokyo Stock Exchange
Business Lines	Manufacture and sales of: Baby and child care products Feminine care products Health care products Cosmetic products Household products Pet care products Food-packaging materials, etc.
URL	http://www.unicharm.co.jp/ http://www.unicharm.co.jp/english/index.html

Primary Consolidated Subsidiaries and Affiliates

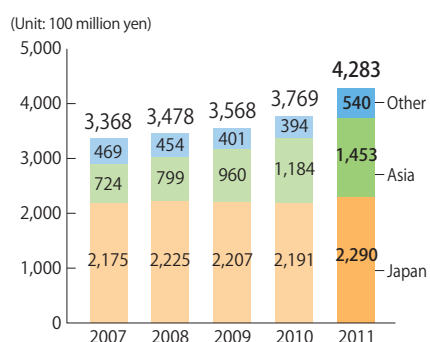
Japan	Unicharm Product Co., Ltd. Unicharm Kokko Nonwoven Co., Ltd. Cosmotec Corporation Unicharm Mölnlycke K.K.
Overseas	United Charm Co., Ltd. (Taiwan) Uni-Charm (Thailand) Co., Ltd. Unicharm Consumer Products (China) Co., Ltd. LG Unicharm Co., Ltd. (Korea) PT Uni-Charm Indonesia (Indonesia) Uni-Charm Mölnlycke B.V. (Netherlands) Unicharm Gulf Hygienic Industries Ltd. (Saudi Arabia) Uni-Charm Corporation Sdn. Bhd. (Malaysia) Unicharm India Private Ltd. (India) Unicharm Australasia Pty Ltd. (Australia) The Hartz Mountain Corporation (United States)
Other	27 companies (as of March 31, 2012)

Production and Sales Bases

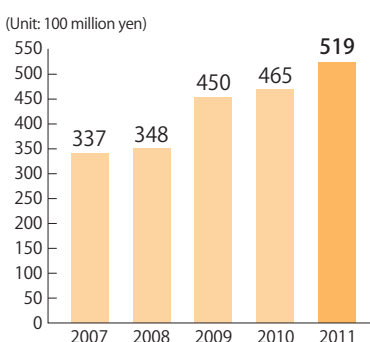


Main Business Indicators

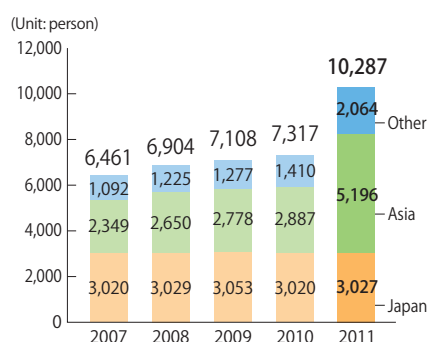
Consolidated net sales



Consolidated operational profit



Number of group employees



● Editorial Policy

In editing the "CSR Report 2012"

This document has been prepared as Unicharm Group's Corporate Social Responsibility (CSR) report. This report reaffirms that our CSR is the implementation of our corporate philosophy "NOLA & DOLA"* itself, and presents how we practice it through our business activities. We report in detail on our activities in regards to the social problem of the super-aging society and our responses to featured global issues.

Furthermore, as for our global report, we refer to the UN Global Compact, the UN Millennium Development Goals, ISO26000 and GRI Guidelines throughout the whole report.

We will continue to accommodate the requests of our stakeholders to the greatest extent possible. We welcome your frank opinions and comments.

*NOLA&DOLA: "Necessity of Life with Activities & Dreams of Life with Activities". From newborn infants to the elderly, Unicharm aims to provide people with products that provide physical and psychological support through gentle care so that they may be free of their burdens to fulfill their dreams.

● Contents

Areas Covered

Business operations, CSR vision, activity goals, organizational structure, business performance, accounting data, etc. This report presents details of results for FY2011 as well as the latest information for the early part of FY2012.

Organizations

Unicharm Group companies are shown on a consolidated basis. Details of companies mentioned in the environmental activity report can be found on the Unicharm website.

Intended Audience

All Unicharm stakeholders inclusive of customers, employees, business partners, shareholders, and society in general

Period

April 1, 2011 to March 31, 2012 (including some activities prior to and after the above period, as well as future targets)

Reference Guidelines

- GRI Sustainability Reporting Guidelines 2006
- 2007 Environmental Reporting Guidelines of the Ministry of the Environment
- ISO26000

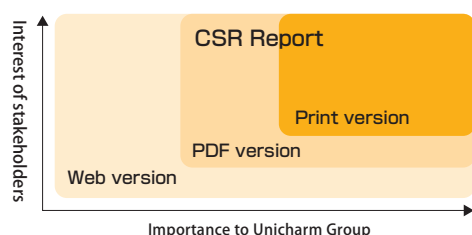
Date of Issue

June 22, 2012 Next date of issue: June 2013

Available at

- CSR & Environmental Information on the Unicharm website (all items reported)
- PDF "CSR Report 2012" (Detailed Report)
- Booklet "CSR Report 2012" (Digest Report)

Role of this Report



This report places great importance on stakeholders' interests, and presents selected information that Unicharm would like to emphasize this year in response to stakeholders' concerns. Please refer to our website for the full report.

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For more information about our CSR activities, please contact:

Corporate Social Responsibility Department
TEL: +81-3-6722-1041 (Direct Line) FAX: +81-3-6722-1018

For general corporate information, please contact:

Public Relations Group, Corporate Planning Division
TEL: +81-3-6722-1019 (Direct Line)

•For investor relations, please visit:

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

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

Our Business Activities Provide Solutions for Social Issues Globally



President and CEO
Unicharm Corporation

高原豪久
Takahisa Takahara

We extend our condolences and deepest sympathy to all those affected by the Great East Japan Earthquake.

We sincerely hope for the earliest possible recovery of the affected regions.

Our CSR is based on the implementation of our corporate philosophy of “NOLA & DOLA”

In contrast with the 20th century, an age that demanded unlimited development, current society has become aware that resources, energy, environment, scientific technology, and diversified values must all coexist harmoniously, and that a paradigm shift toward a “sustainable” future society is necessary. In our modern era of expanding globalization, this is a problem common to all humankind; we acknowledge the demands of corporate social responsibility more than ever. Using our core technologies, we aim to solve various social issues including declining birth rates and aging populations in mature countries like Japan, growing global environmental issues, and poverty and hygiene issues in developing countries through our business—this is Unicharm’s CSR, and the basis of our corporate philosophy of “NOLA & DOLA”: Necessities of Life with Activities & Dreams of Life with Activities. From newborn infants to the elderly, Unicharm aims to provide people with products that provide physical and psychological support through gentle care so that they may be free of their burdens to fulfill their dreams. We pioneered the world’s first successful disposable diapers with three-dimensional shape, “Moony”, first sold in 1981, the first pull-on pants-type disposable diapers, “Moony Pants”, first sold in the early 90s, and the adult incontinent diapers, “Lifree Rehabili-Pants”, which brought the new idea of “rehabilitation” to adult diapers, first sold in 1995. As these examples show, we have been continuously providing our customers with new values through our own research and development. We will continue to seek an answer to the question, “what is best for society and for our customers?”

Modeling an ideal super aging society in order to become the standard of Asia

What can we do as a company providing continence-support products? The answer is that we can provide the market with products that support the independence of senior citizens and promote industries aimed at them. We have been the leading company in elderly continence-support in Japan since the introduction of the adult diapers "Lifree" in 1987. We place high value on the idea of "Social Continence." By working to reverse the negative image of adult diapers and developing easy-to-use products like reading glasses, we are simultaneously engaged in public awareness activities. Independence of the elderly will reduce burdens on caregivers and will increase the "will to live", "dignity", and "happiness" of the elderly themselves. In order to build a cheerful super-aging society, we consider it our social mission to encourage both social development and industry by working to achieve an "extension of healthy life expectancy" that will result in increased numbers of active and healthy elderly.

As the average life expectancy in Japan exceeds 85 years old, the super aging of society will continue to accelerate. Other countries in Asia such as Korea, Thailand, and China are also experiencing the problems of an aging society, and the speed of aging in those countries may be even quicker than that of Japan. We believe that if Japan can model for these countries as an ideal super-aging society, we can spread such an ideal model—the care standard from Japan—throughout Asia. In order to achieve this, we want to make the greatest contribution by focusing on "continence support", which is one of three major areas of care giving to the elderly, along with eating and bathing.

"Normalization" is the concept that society should function without distinguishing between healthy people and those who have disabilities. Our definition of "normalization" is that regardless of your life stage, "normalcy" should equal "being yourself". We believe that it is important to "be yourself" in every stage of life, and we want to make contributions toward this goal. Our hope is to continue to offering close support to people's wish to "remain being themselves".

Aiming to be a stronger organization in order to be active globally

About 50 years ago Unicharm started selling feminine hygiene products with the aim of "transforming women's discomfort into comfort." Since then our business of encouraging women's participation in society has been developed and expanded to five business divisions to make people's life more comfortable. Our business activities support daily life in different ways in about 80 countries and regions in the world. We expressed our support for the "UN Global Compact" in 2006 and have been making efforts to follow the UN practices, and we continue to improve our CSR activities according to the international standard ISO26000 as we expand our business even more globally.

As a consumer-products company manufacturing and selling disposable diapers and feminine hygiene products, among our various CSR efforts we are most passionate about the environment. We will continue to promote the expansion of environmentally-friendly "Eco Charming mark" products. We are also undertaking new endeavors, such as opening a factory employing only female workers in Saudi Arabia. Mindful of the latest CSR trends, we aim to implement local business activities.

Unicharm continues to build a strong organization with "management with resonance", and we are moving forward to solve global social issues through our business activities. We will continue to contribute to the realization of a comfortable daily life for humankind by providing first-class products and services that provide comfort and pleasure for the people all over the world.

We recognize that stakeholder engagement is essential to the improvement of CSR. To understand the expectations and requirements of our stakeholders, and incorporate these into our business activities, we aim to further strengthen communication with our stakeholders in each field. Your continued understanding and support will be greatly appreciated.

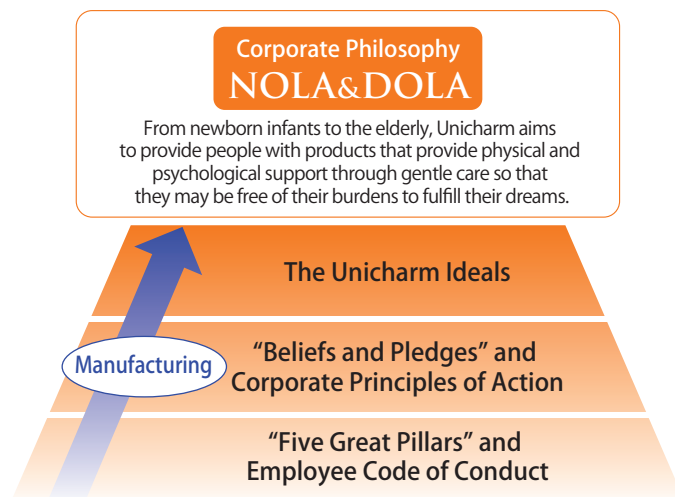
Unicharm Group's CSR

Unicharm Group's CSR is to Implement the

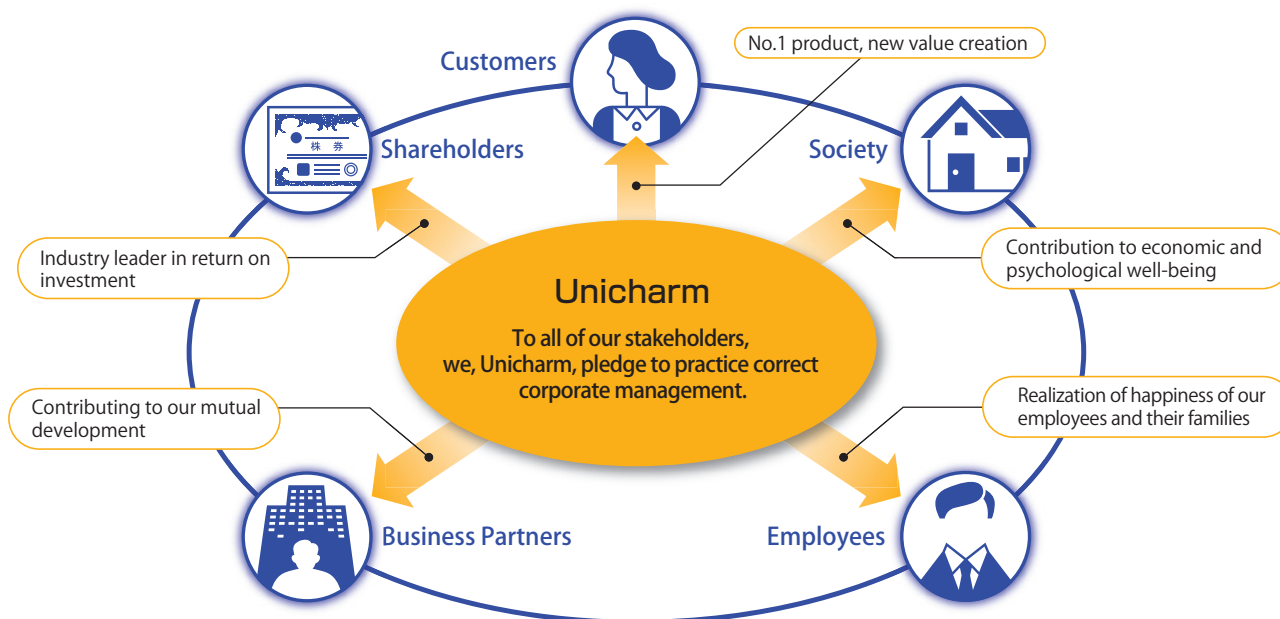
Framework of Unicharm's CSR

Unicharm's corporate philosophy is "NOLA & DOLA". Our concept of NOLA & DOLA: Necessities of Life with Activities & Dreams of Life with Activities, contains our hope that "from newborn infants to the elderly, Unicharm aims to provide people with products that provide physical and psychological support through gentle care so that they may be free of their burdens to fulfill their dreams". It is our CSR to implement and achieve this aspiration.

It is important to create products utilizing Unicharm's core technology in order to fulfill our corporate philosophy. In support of our everyday activities, we practice "Unicharm Ideals", "Beliefs and Pledges" and Corporate Principles of Action" and "Five Great Pillars" and Employee Code of Conduct".



Relationship with Stakeholders



The Guiding Framework We Follow

At Unicharm, we operate our global business activities in awareness of the voices of our stakeholders and by referring to various international guidelines. We support the ten principles of the "UN Global Compact", and have participated in the compact since May 2006.



Unicharm Philosophy

CSR Promotional Structure

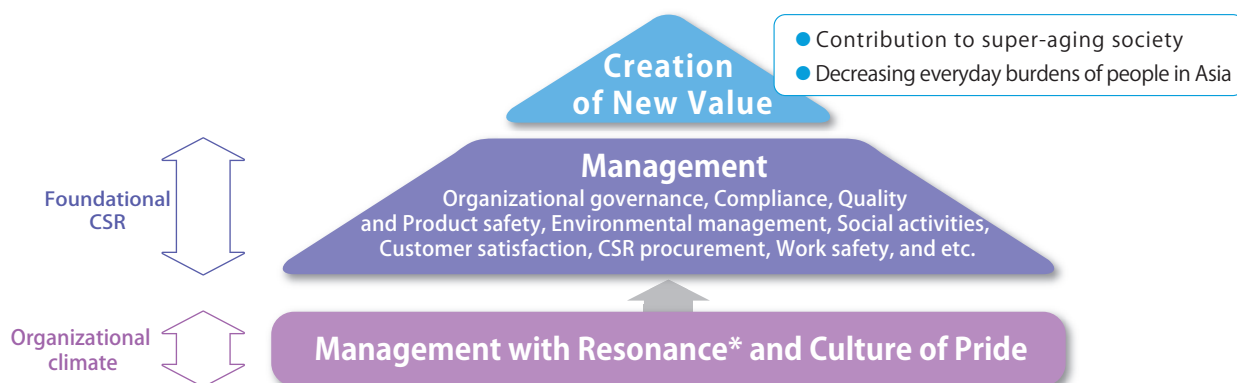
► Established cross-organizational CSR committee

Unicharm has established a structure to implement and promote smooth CSR activities in order to meet our stakeholders' expectations. Our "CSR Committee" is a cross-organizational structure for the support of CSR, chaired by our president. The committee meets four times a year to discuss and share CSR-related activities.

◆ Cross-organizational structure to support and promote Unicharm's CSR



CSR Domain



*Management with Resonance: To realize our corporate philosophy of "NOLA & DOLA", we practice business management in which each employee can be a focal point of innovation through her or his own labors, each and every movement more greatly resonates and influences others company-wide, and each employee's vision can be actualized. This is the type of corporate culture we foster.



Shinya Takahashi

Senior Executive Officer,
Director, Business Reform
Division, CSR Division
Staff, Management Auditing
Department,
Unicharm Corporation
Unicharm Humancare
Corporation

We challenge ourselves to make a higher level of social contribution

In 2011, in the wake of the Great East Japan Earthquake and the massive flooding in Thailand, as a maker of such daily necessities as diapers we felt keenly that our social responsibility was to "deliver our products to customers". In other words, at that time we realized that "our main business = CSR".

Our main business activities include providing comfort and delight by delivering our products in regions which lack even the daily necessities and supporting the comfortable life for elderly people and their caregivers by proposing new continence-support models. Unicharm can promote unified CSR activities only when a climate of "management with resonance" is cultivated and each company member is aware that our business activities are directly connected to the solutions of social issues. We will continue to strive to make a higher level of social contribution in consideration of ISO26000 and the UN Millennium Declaration.

Introduction of Business Activities

Comfort and Affluence for People All Over

Unicharm's five business divisions deliver gentleness

We hope that people lead sound and healthy lives from the day they born into this world. To realize this hope, Unicharm's five business divisions of Baby and Child Care, Feminine Care, Health Care, Clean & Fresh, and Pet Care deliver a wide range of products and services for various generations by utilizing the technologies we have developed in the manufacturing of non-woven fabrics and absorbent materials.

Baby and Child Care Business

Best lineup of products for fast-growing babies and children

Business philosophy Child-rearing life improvement company

Launch of the business 1981

Our Baby and Child Care Business' philosophy is to make social contributions by improving our customers' child-rearing experiences through deep understanding of parent-child relationships and to continue to provide products with new value. In Japan, we receive wide support for two brands: "Moony", with functional innovations to accommodate growth, and "Mamy Poko", focused on fun. We also provide diapers of our global brand "Mamy Poko" for babies overseas from East/Southeast Asia to Middle Eastern countries.

Feminine Care Business

We support women's positive activities

Business philosophy We make women's comfort a science, so that we may create freedom for women

Launch of the business 1963

Our business philosophy is "making a women's comfort a science so that we may create freedom for women". Our Feminine Care Business always identifies women's needs of each era from women's standpoint, and continues to offer high-value hygiene products and services incorporating advanced technology and ideas. In Japan, we produce feminine products with an understanding of women's minds and bodies under the brand names of "Sofy", "Center-in", and "Charm". We actively develop "Sofy" as a global brand overseas, which has received high evaluations from women in various countries including East and Southeast Asia.

Product lineups



Moony ©DISNEY



Mamy Poko ©DISNEY



Mamy Poko

Product lineups



Sofy



Center-in

Charm



Sofy

the World

Health Care Business

For a society of joyful living, for the elderly and for everyone

Business philosophy Pursuing the joy of living

Launch of the business 1987

Our Health Care Business includes two business areas: the AI (Adult Incontinence) Business and the mask & medical business. Our AI business respects the dignity and independence of people who experience incontinence, and offers the best products and care system services under the "Lifree" brand in order to improve the QOL (Quality of life) of all people involved in nursing care, whether at home or in a hospital/nursing home. Our mask & medical business offers products with non-woven fabric as the core technology to protect people's health and contribute to public hygiene, from household use to hospital/nursing home and industrial use.

Product lineups



Lifree



Lifree for institutional use

Chorittai Ultra 3D Shape Mask and Chokaiteki Ultra-Comfort Mask



Lifree

Clean & Fresh Division

Creating a comfortable environment for people, things, and places

Business philosophy Creating a comfortable environment for people, things, and places

Launch of the business 1974

Our Clean & Fresh Business offers cleanliness, hygiene, and a fresh feeling, and creates a comfortable environment with non-woven fabric processing technology as our core technology. "Wave" is a surprisingly easy cleaning sheet for living rooms, and our "Silcot" brand features highly functional pre-moistened wipes, perspiration absorbing sheet pads, and high quality cosmetic products. Our products are loved by many for their function and quality.

Product lineups



Wave



Silcot cosmetic puffs



Silcot wet tissues, perspiration absorbing pads, perspiration wipes

Pet Care Business

Making people's life with their pets more comfortable

Business philosophy Making your pets' life comfortable through health and cleanliness

Launch of the business 1986

So that your pet can live a long, healthy and active life in a clean environment, among our numerous pet-related businesses Unicharm Pet care focuses especially on "pet food for good health" and "pet toilet products for a clean living environment". We aim to provide new satisfaction for dogs and cats. We provide various products to contribute to your comfortable life with pets, including pet foods with good taste and nutrition, "Aiken Genki" and "Neko Genki", and pet toilet care sheets and pet disposable diapers utilizing our nonwoven cloth and absorbent material technologies.

Product lineups



Gin no (Silver) Spoon



Aiken (Dog) Genki



Neko (Cat) Genki



Deo-Sheet



Deo-Toilet

Our role is to make a contribution to creating a cheerful super-aging society. We continue to challenge ourselves as professionals in continence-support

Satoru Kiuchi, General Manager of the Health Care Business, talked about our contribution to society through our continence-support.

● “Rehabili-Pants” defied existing common knowledge

It was 1995 when Unicharm started selling the world’s first adult diapers, “Lifree Rehabili-Pants”. Before that time, standard diapers were fastened with tape, and so they had to be changed in a lying position. When illness or injury required the use of adult diapers, many patients remained in bed, leading to muscle weakness and, before long, many would become bedridden.

In reality, however, by encouraging and assisting bedridden patients to use the toilet on their own, 90% of bedridden patients recover the ability to sit by themselves and 30% of them become able to walk again.

“Rehabili-Pants” enables both patients and caregivers to work comfortably on conti-

nence-support, which can lead to improvement in their ADL (Activities of Daily Living). The healthy life expectancy of the elderly can be extended by appropriate continence-support so that they do not become weak and bedridden.

● Making society aware of the importance of continence-support

Aging will rapidly progress in Japan. The working population, in other words those who support the social security system, will decrease. It is projected that one senior citizen will be supported by one working person, while the current ratio is one senior being supported by three working people. There is a strong sense that it is the duty of younger people to take care of the elderly in Japan. It is a concern of society as a whole, therefore, to extend senior citizens’ mobility and independence, and to decrease the needs of nursing care.

Japanese people seem to feel uncomfortable about continence-support, while it is not unusual to see elderly people buying diapers for themselves in the United States and Europe.

Unicharm successfully changed the stigma of feminine hygiene products in Japan, and we now hope to spread the idea that using “Rehabili-Pants” is nothing to be ashamed of. Through television commercials and the like, Unicharm will



Satoru Kiuchi
General Manager Health Care SBU
Global Marketing Division,
Unicharm Corporation

Supporting an active social life with our “Ultra-thin Diaper Briefs”

“We want to offer thin pull-on diaper briefs with minimum discomfort. We also want to develop small packages of diapers so that customers can bring them home in their bicycle baskets”. These two strong wishes led to the development of our “Ultra-thin Diaper Briefs”.

Before we created our Ultra-thin Diaper Briefs, we received such feedback as “I wish the diapers could be thinner and more comfortable. I am afraid someone will notice that I am wearing diapers” and “The current packages are too big to fit in the basket of my bicycle”. In response, through research and development we succeeded in making our new product 50% thinner than previous “thin” diapers.

We hope that this product will encourage people who tend to stay at home due to their incontinence to go out again, little by little, and live happier social lives.

Yusuke Kawakami

Chief Technologist, Product Development Division,
Global Development Department,
Unicharm Corporation



“Our hope is that everyone can continue to live in a way that remains true to themselves”
We support “normalization”, allowing each individual to always live true to oneself.



break down the stigma associated with adult diapers with the message that using diapers is simply a natural part of aging, just like using reading glasses or wearing dentures.

● Decreasing rate of patients becoming bedridden and extending healthy life expectancy

Unicharm will continue to aim to decrease the rate of patients becoming bedridden and to extend healthy life expectancy.

To prevent patients from becoming bedridden, it is essential to practice careful continence-support combining exercise, diet, and rehydration, with the aid of “Rehabili-Pants” and “Nyotori Pads” according to each patient’s continence functions and physical condition.

We have held seminars and workshops for nursing home staff and counseling workshops for drug store staff so that they can adequately give light counseling for those at home.

“Thanks to good continence-support, bedridden elderly patients got up on their feet and began to show more smiles. Their families and caregivers also became happy”. When we hear such reports, we feel delighted and rewarded.

● Challenges as continence-support professionals

In 2012, Unicharm launched our “Elderly Care Innovation Development Division” to advance current research projects on continence-support and to develop our “Lifree-style continence care model”. We are also participating in the establishment of nursing care and health care social programs, and are fully committed to contributing to elderly health care through the entire range of “continence-support”, not merely focusing on leakage prevention and price-cutting.



We will continue to challenge ourselves as continence-support professionals

Light Counseling

The purpose of light counseling is “to help customers to choose appropriate products through services offered at retail stores, so that they will be able to enjoy more comfortable and untroubled elderly care”. Unicharm holds light counseling workshops to help retail employees understand customers’ conditions and needs. We also provide retail employees with the opportunity to experience the differences between products so that they can give their customers appropriate advice for choosing adult diapers. In 2011, we held 373 workshops with a total of 10,444 participants.



Experiencing disposable diapers

Declaration of our intention to make contributions through continence-support

Takahisa Takahara, President and CEO of Unicharm, participated as a speaker and panelist in Aging Forum 2011 (sponsored by The National Center for Geriatrics and Gerontology), held in November 2011, the forum aimed to construct a model based on Japan’s experience as the world’s forerunner in longevity. Takahara made a speech on the roles of corporations in the section on “growth strategies of the super-aging society”. Takahara stated that “our mission is to promote the industry through the improvement of mobility and healthy life expectancy in order to increase the number of active seniors. We would like to focus on ‘continence care’ to fulfill our mission”.

We spread cheerful smiles through continence care with the aid of “Lifree”



Walking together with patients, at their own pace



Making necessary preparations for continence-support



Lifree Care Activities

To realize “lifelong independent support” for the elderly in nursing homes, we send our professional care sales representatives and dedicated area care advisors to find problems and needs, and to offer the best solutions.

1. Analysis of present state of affairs and discovery of problems (hearing and proposals)
2. Sharing awareness of problems (discussions of possible solutions with caregivers)
3. Validation of solutions (validation of solutions with caregivers)
4. Sharing validation results (analyzing and sharing validation results)
5. Striving for continuous improvement of continence care (support for improved continence care)

Unicharm has been very helpful by consulting with us and offering sincere advice, and sometimes improving their products according to our requests.



Kyoko Misawa
Executive Board Member and
Director, Samukawa Home

Together with staff members at Samukawa Home, we are coming up with ways to make everyone's life at Samukawa Home more comfortable.



Rie Ito
Care Advisor, Unicharm
Corporation

● Making efforts to rehabilitate bedridden patients through continence-support

“We try to make our patients understand that there is no need for them to apologize or feel sorry when it is time for us to change their diapers, but we can't completely erase their sense of shame”, said Ms. Kobayashi, who provides daily care for Samukawa Home residents. Although it is difficult to imagine when you are young and healthy, whether or not you can use the toilet on your own is an issue of dignity. That is why it is important to support elderly patients in their needs and abilities to use the toilet. In daily life, some people go to the toilet first thing in the morning and others might drink tea first, but it is a common practice at nursing homes to have a regular schedule for changing diapers without regard for patients' own schedules. At Samukawa Home, we don't think that following the same regimented schedule for every person can be called “life”, therefore, we practice continence-support according to each person's daily rhythms.

● Continence-support had a greater impact than expected

Prior to the introduction of the continence-support project, Samukawa Home experimented with taking some residents out of diapers, and worked with those residents through individualized diets, exercise, and assistance in going to the

Together with nursing home staff, Unicharm's professional care sales representatives and dedicated area care advisors work to support the independence of elderly people in nursing homes. We interviewed staff members at Samukawa Home about the importance of continence-support in nursing care.



Staff of Samukawa Home and Sales Representatives and Care Advisors from Unicharm



toilet. The impact was much greater than expected. Two of formerly bedridden female patients were able to get up on their feet and one of them recovered the ability to reply from her former condition of only replying with nods when she was spoken to.

In addition, the goal of "recovering the ability to go to the toilet for a bowel movement even if continuing to use pads for urination" was accomplished within a month. Muscle strength recovered in this process, which made the recovery of continence possible. What is more, being able to stay sitting up during the day improved their sleep rhythms and reduced their levels of care requirement from five to three, which is a remarkable result.

● "Lifree" essential for improvement in ADL

It was 1999 when Samukawa Home switched from cloth diapers to disposable diapers. Since the switch, the improvement in continence-support can't be compared to the time when they used cloth diapers.

"We appreciate the quality of Unicharm products, and, even more so, the opportunities to consult with their care advisors and the improvements they made when we told them what was inconvenient about their products", said Ms. Misawa, the Director of Samukawa Home, who has been supportive to the Lifree-Care activities and in charge of the

Staff of Samukawa Home

Social Welfare Corporation, Kissho-kai, Samukawa Home

Kyoko Misawa, Executive Board Member and Director of Samukawa Home (front row, left)

My father's stroke made me keenly aware of Japan's lacking social care system, and established Samukawa Home in 1993. I dedicate myself to the operation of the nursing home for the realization of eldercare that gives priority to the wishes of patients and their families.

Hajime Kikuchi, Assistant Manager, Division of Elderly Long-Term Care (front row, second from left)

I became interested in nursing care after talking with a high school colleague working at a nursing home, and decided to attend a vocational college for nursing care. I found employment at Samukawa Home, where I was impressed by the cheerfulness of the elderly when I visited the Home.

Akiko Kobayashi, staff member, Division of Elderly Long-Term Care (front row, second from right)

I was aspired to become a caregiver since junior high school, when I was impressed by the smiling faces of care staff at a day-care facility I went to pick my grandfather with my grandmother. I wanted to work at Samukawa Home because I was impressed by their enhanced training program.

Professional Care Sales, Sales Division, Unicharm Corporation

Jun Ikeda, Branch Manager of the Metropolitan Branch (back row, left)

Tsunao Kawasaki, Manager, Second Sales Department, Metropolitan Branch (back row, right)

Rie Ito, Lifree Care Advisor, Kanagawa area, Second Sales Department, Metropolitan Branch (front row, right)

improvement of care for a long time. They conducted the "out of diapers" experiment by using different pads and diapers such as Lifree pads and Rehabili-Pants, according to the situations and time of the day.

Misawa said that they hope to continuously improve their residents' ADL and QOL, in cooperation with Unicharm advisors. She expects even more cooperation with Unicharm in the future.

● Extending the know-how of continence care among home-care providers

It is necessary to spread the knowledge and know-how of continence-support, acquired through years of experience at nursing care facilities, among home-care providers.

"Appropriate diet, rehydration, and exercise, as well as appropriate usage of the products, will improve continence functions, which will lead to maintenance and recovery of vital functions", said Mr. Kikuchi. He hopes to make maximum use of the know-how acquired in practice at nursing homes in home-care.

Now more than ever, it is necessary to devise ways to deliver the necessary information to those providing care at home. He noted that Unicharm should play a major role as a company which has a wealth of knowledge and know-how on nursing care.

Free yourself from sleepless continence care with the nursing-care robot “Humany”



Unicharm has developed and conducted trials of “Humany” in collaboration with professionals active in the nursing-care field in NPOs, nursing-care providers, and colleges of social welfare. We interviewed two people involved with the development and trials of “Humany”: Ms. Oyama, nurse and Executive Director of the NPO Welfare Equipment Net, and Ms. Nakao of Aso Care Service Co., Ltd., an attendant service provider.

● We were skeptical at first

“I was completely against it at first. I thought it was lazy. I was so angry, thinking ‘are you going to let people become bedridden!’” said Ms. Oyama, who has been working with us since the development of “Humany”. Contrary to her initial reaction, she was surprised at the improvement in bedsores when she used “Humany” for her elderly patients. Leaving the buttocks wet results in a higher rate of bedsores. A built-in sensor in a special pad allows “Humany” to quickly detect urination and send urine to a tank, to prevent the skin from getting wet. As a result, many elderly patients with bedsores have improved.



provider offering new forms of continence care to their customers, have been working together.

Continence-support is one of the primary burdens of nursing care. “I was talking with other caregivers, dreaming about a machine that could automatically vacuum away the urine. I was only joking, but it showed up in front of us as ‘Humany’”, said Ms. Nakao.



● Sound sleep for both care givers and receivers

With Humany, changing pads once a day is enough, as long as the patients’ buttocks are also cleaned once a day. This is exceedingly good news for caregivers who previously had to wake up few times each night, as they are now able to sleep through the night.

But it’s not only caregivers who benefit by sleeping through to the morning; many care-receivers are also freed from the burden of waking their family up in the middle of the night. For the majority of patients using Humany, they now exclaim, “I can have an uninterrupted night’s sleep now”.

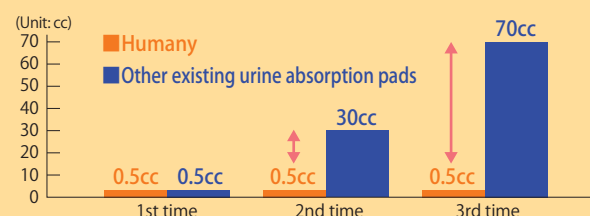
● What we only wished for suddenly appeared before our eyes!

It was around 2007 when Ms. Oyama started working on the development of Humany. Ms. Oyama, who has been teaching caregivers and home-visit helpers how to use Humany, and Ms. Nakao, who works for an attendant service

Features of “Humany”

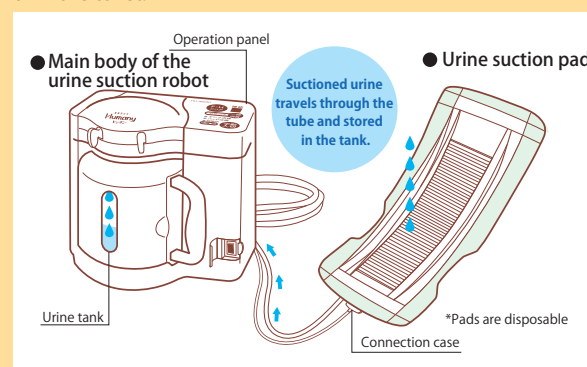
“Humany” quickly detects urination with a sensor built into the special urine suction pad, and sends urine to a tank to prevent the skin from getting wet. As a result, people who formerly were not able to sleep through the night due to changing diapers or helping with frequent trips to the toilet will now be able to sleep soundly through the night as Humany eliminates the need for frequent diaper changes.

■ Amount of urine remaining on the surface of the pad



How it works

The sensor built into Humany’s dedicated urine suction pad quickly detects urination and automatically sucks the urine away. Urine that accumulates in the tank can be easily disposed of in the toilet.



Life-changing continence care

So that home-visit helpers and family caregivers can make full use of Humany, Ms. Oyama provides individual instruction based on each family's situation. She explains her devotion as follows: "I must be serious about my guidance for each family, because it can be life-changing whether they can have comfortable life or not". People like Ms. Oyama who work in earnest at care sites make it possible to bring Humany into the world.



Michie Oyama (right), Executive Director of NPO Welfare Equipment Net
Mieko Nakao (left), Sales Division, Aso Care Service Co., Ltd.

Aiming at relief from sleepless nights of continence-support

~ Promotion and educational activities of Unicharm Humancare Corporation ~



Mitsuhiro Shirai

Representative Director, President
Unicharm Humancare Corporation

We aim for ideal continence care of the 21st century

Through development of our "Lifree Nyotori Pad" and "Rehabili-Pants", Unicharm has been a leading company in elderly continence-support in Japan. We challenge ourselves with the goal to "create new common practices of continence care in the 21st century". We developed "Humany", a urine-suction robot, in accordance with the principle of "innovating nursing care through harmonious coexistence of humans and robots".

Continence-support is considered to be one of the heaviest burdens in nursing care. There has been a lot of "patience" and "resignation" in the practice of nursing care. One of the typical examples is "resignation about sleepless nursing-care". People think that "we have no choice but to change diapers in the middle of the night", and "sleepless nights can't be avoided" when taking care of the elderly.

Basically, all humans need sleep for a healthy life. Over time, "sleepless nursing care" will harm the physical and psychological health of both care givers and their patients.

Unicharm has not overlooked this problem, as we have been working on aging issues through continence care. Our urine-suction robot "Humany" was developed to solve the major problem of "sleepless continence-support", and aims for the ideal of continence care of the 21st century.

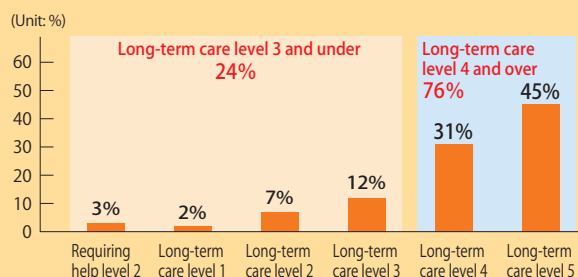
In April 2012, rental service covered by long-term care insurance became available

Automatic urine treatment devices were previously designated as "specialty urine collectors" under long-term care insurance, and were designated as Equipment for In-Home Long-Term Care Covered by Public Aid. As such, they could be purchased for an individual payment of 10%, up to 100,000 yen per year. However, many users requested rental service which would offer easier access. As a result, in April 2012, with the official name change to "automatic urine treatment devices" they became items rentable under long-term care insurance.

Results of questionnaire survey on Humany usage

We conducted "usage survey by questionnaire" among 187 Humany users (100 females and 87 males) from across Japan.

Users as of November 2011



Survey results

Number of diaper-changes during the night
Before Humany: 1.8 times
With Humany: 0 times

Toilet usage during the night
Decreased by 89%

Users of home visit care during the night
Decreased by 46%

*All data collected by Unicharm Humancare Corporation

Our business activities contribute to finding solutions to international social issues, including the advancement of women and the reduction of poverty

Based on our corporate philosophy of “NOLA&DOLA”, Unicharm conducts business activities for the sake of the well-being of women all over the world. In our overseas business activities, we support the vision of the UN Millennium Development Goals and hope to contribute to the achievement of these goals, such as the advancement of women in Asia and the reduction of poverty there.

● Creating jobs and supporting social advancement for women

Removing the stigma on feminine hygiene products and contributing to the social advancement of women

It was the early 1960s, the middle of the rapid economic growth period in Japan, when Unicharm entered into the sanitary napkin business. At that time hygiene products were stigmatized, existing only “in the shadows”. That is to say, they

were not openly displayed in stores. We made great efforts to change the image of feminine hygiene products. Thanks to our efforts, today they are available whenever and wherever you need them.

We take pride in our contributions to the social advances of Japanese women, through over-the-counter sales by the recommendation of our female employees and hiring many women at manufacturing plants, for example. Based on these experiences, we think that we can also make effective contributions in Asia and the Middle East, which are currently at the stage of social development for women and the poor. By increasing wages at our various areas of business operations, we believe that we can contribute not only to the advancement of women but to freeing people from poverty.

UN Millennium Development Goals (MDGs)

The MDGs originated from the Millennium Declaration of the UN Millennium Summit held in New York in September, 2000. The Millennium Declaration describes 8 goals to be achieved by 2015.

Unicharm particularly hopes to contribute to the achievement of Goals 3 and 1 (furthermore 2 and 4) through our business activities.

8 Goals



Goal 1: Eradicate extreme poverty and hunger



Goal 2: Achieve universal primary education



Goal 3: Promote gender equality and empower women



Goal 4: Reduce child mortality



Goal 5: Improve maternal health



Goal 6: Combat HIV/AIDS, malaria and other diseases



Goal 7: Ensure environmental sustainability



Goal 8: Develop a global partnership for development

For the sake of women in Asia and the Middle East

Unicharm started production and sales of feminine hygiene products and disposable diapers in Taiwan in 1984. We have been making contributions to the direct expansion of job opportunities by hiring women in each section of production and sales, and to the social advancement of women by the diffusion of feminine hygiene products and disposable diapers. We practice “NOLA&DOLA” in Taiwan as well as in Japan, and have expanded it to various countries in Asia and the Middle East including Korea, Thailand, Saudi Arabia, China, and Indonesia.

As the result, the percentage of women in production-line work has reached 80% in various countries in Asia, and more than 4,000 female store personnel have been making great contributions to the transmission of accurate knowledge as well as accurate explanations of products in stores. With 10,000 female employees* in these areas, the percentage of female employees has reached 60%.

All of our employees in all countries share in our corporate philosophy and support the independence of women through the development of business activities.

* Including employees of subcontracting companies

All-female factory in Saudi Arabia

In May 2012, we started production at an all-female factory in Saudi Arabia. We believe that we can make contributions to the issue of job security for local people in Saudi Arabia



Unicharm sponsored the highly-praised diaper-changing facility "baby lounge" at Saudi Arabia's Janadriyah Festival, the largest annual heritage and folk culture festival in Saudi Arabia, in May 2011.



At women's colleges and universities in various cities in Indonesia, Unicharm held seminars providing accurate knowledge about feminine hygiene products and their correct use.



In Vietnam, our female promotional staff conducts educational activities about diapers in hospitals, public health centers, and sometimes at customers' homes.

Saudi Arabia
Our all-female factory implements the local employment initiative

Across Asia
■ Employment in the sales promotion division: about 4,000 women
■ Employment of women at factories (80% women)

Vietnam
500 women work for sales and delivery divisions



Women work on production lines (Thailand)

Thailand
High percentage of female workers (about 65%)



Women work on production lines (Indonesia)

Indonesia
In Indonesia, many women work in factories as packagers



A Vietnamese woman working for the delivery division

by promoting the employment of women at our production facilities. We expect to be of major importance in providing opportunities for the social advancement of women.

● Diffusion of disposal baby diapers and feminine hygiene products

Good products for more children: we developed affordable products for people unable to obtain our widespread high-quality diaper brand in Asian countries, "Mamy Poko", for either their financial difficulties or undeveloped distribution reasons. In product development, we repeatedly conducted surveys of standard households in Indonesia, created trial products, and made efforts to keep the cost down in order to offer affordable, simplified products without sacrificing the leak-proof function. As a result of the efforts made at every stage, from material sourcing to shipping, in December 2007 we launched "Mamy Poko Pants Standar" in Indonesia. This product receives No.1 support from people in Indonesia.

We currently produce and sell 10 billion disposable baby diapers and 12 billion sanitary napkins a year in Asia, and offer various products to respond to the needs of each country.

● Future plans for the liberation of women and the realization of their even bigger dreams

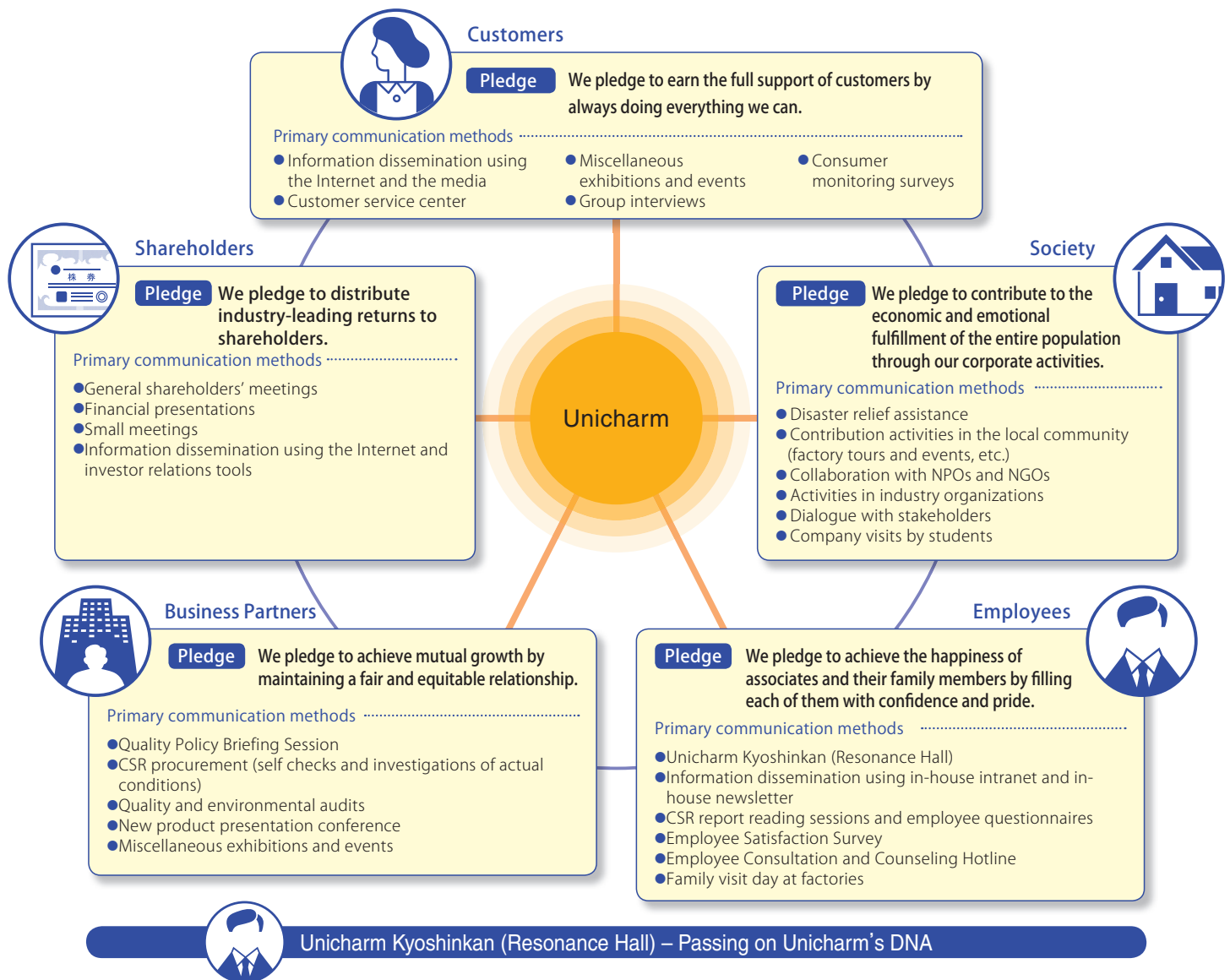
Unicharm, as the only global manufacturer fully dedicated in hygiene products, believes that it is our responsibility to improve our support for women who haven't been able to leave the home or work during their menstruation periods because they have not had opportunities to use sanitary napkins, for example, or mothers facing risks for both mother and child due to unsafe birthing environments and lack of access to medical care. We set the following items as our core business activities in Asia in order to promote the continuous support for women and children in the region.

1. Expansion of product development for lower-income groups
2. Promotion of gender equality and advancement of women
 - Providing correct/factual information about menstruation in elementary and junior high schools
 - Communication with women and society
3. Expansion of social advancement of women
 - Further promotion of direct employment of women
4. Improvement of health and hygiene for mothers and children
5. Thorough implementation of our corporate philosophy by sharing and spreading "NOLA&DOLA"

Stakeholder Engagement

Unicharm pledges to undertake honest and trustworthy corporate activities toward its customers, shareholders, business partners and society under its “Beliefs and Pledges” and Corporate Principles of Action, and encourages two-way communication with its stakeholders by providing a wide range of dialogue opportunities. Going forward, we stand firmly committed to deepening our connections with stakeholders through our dynamic stakeholder engagement program.

Communication with Stakeholders



In February 2011, Unicharm Kyoshinkan, an employee training facility, was opened at the site where Kinsei Plant once stood, the original site of the feminine care business, in commemoration of the Company's 50th anniversary. At the center of the facility stands a display showcasing a replica of the manufacturing equipment used to produce feminine hygiene products at the time. Kyoshinkan also houses other exhibits with actual uniforms, tools and materials from Unicharm's early beginnings. In FY2011, a total of 3,510 people, including retired employees, currently employees and their families, visited Kyoshinkan. Since its opening, the facility has been used as a focal point for passing on the Unicharm DNA to employees, which emphasizes tradition, innovation, and challenge.

Exterior view of Unicharm Kyoshinkan



Employees touring Unicharm Kyoshinkan

2011 Dialogue with Stakeholders

In November 2011, Unicharm hosted its 2011 Dialogue with Stakeholders Session in which it invited persons from NPOs, academia and corporate Japan to attend.

The theme of this year's session was Unicharm's Responsibilities to Society as a Global Company. Following the core subjects of ISO26000, which include the environment, human

rights, labor practices, and community involvement and development, participants provided a wide range of recommendations and proposals for the Company.

We value the feedback provided from our stakeholders at the meeting and plan to incorporate this into future initiatives, wherever possible.

Overview of Unicharm's 2011 Dialogue with Shareholders Session

Theme

Unicharm's Responsibilities to Society as a Global Company

Participating Stakeholders (alphabetical order)

Kaori Kuroda (Managing Director, CSO Network Japan)
Mitsuo Ogawa (President, Craig Consulting Co., Ltd.)
Mari Kataoka (Deputy General Manager, CSR Department, Shiseido Company Co., Ltd.)
Norihiro Itsubo (Associate Professor, Faculty of Environmental and Information Studies, Tokyo City University)

Attendance from Unicharm

Eiji Ishikawa (General Manager of Global R&D Division, and Representative Director, President, Unicharm Product Co., Ltd.)
Masakatsu Takai (Director & Senior Executive Officer, General Manager of the Global Human Resources and General Affairs Division, General Manager of the CSR Department, and Officer in Charge, Customer Service Center)

Venue: Unicharm Headquarters in Tokyo

Date: November 22, 2011

Kenji Takaku (Executive Officer and General Manager of the Global Marketing Division)
Yasushi Akita (Executive Officer and General Manager of the Accounting and Finance Division)
Shinobu Seki (Director & Senior Executive Officer and Shikoku Plant Manager, Unicharm Product Co., Ltd.)
Tadashi Nakai (General Manager, SBU, Global Marketing Division)\
Tetsuya Shite (Assistant General Manager, Global Human Resources and General Affairs Division)
Kiyoshi Miyazawa (General Manager, Global Quality Assurance Department)
Takashi Masuda (Vice Manager, CSR Department)
Naoyoshi Kurita (General Manager, CSR Planning Office, CSR Department)
*Job titles of participants and attendees are as of the date of the session.

◆ Stakeholder Feedback and Unicharm's Response

	Main Feedback from Stakeholders	Response by Unicharm
General	Unicharm has linked its core business and social contributions, and its initiatives are first-rate. We were able to fully understand that Unicharm helps resolve international social issues, such as those associated with aging society and poverty, through its core business. We believe that sharing these first-rate and unique Unicharm initiatives more broadly with society will help build trust with stakeholders.	We will continue to actively disseminate information on our activities and promote initiatives through our core business that contribute to the resolution of various social issues, including declining birthrates and aging, poverty, employment and the environment, with the ultimate goal of fulfilling our corporate philosophy of NOLA & DOLA.
General	The materiality map in Unicharm's 2011 CSR report was well created and disclosed good information, but we believe that making the results of specific activities more visible and implementing the PDCA (plan, do, check, action) cycle will be important going forward.	We began formulating and implementing important CSR activities and KPI together with related departments internally. Going forward, we will disclose the specific results of these company-wide CSR activities, seek to enhance the quality of these initiatives by implementing the PDCA cycle, and in turn, build greater trust with our stakeholders.
Environment	We believe a future challenge for Unicharm will be how it can link LCA* evaluation results with its future actions. One effective means will be promoting environmental communication utilizing the carbon footprint. *Life cycle assessment: A method of identifying and evaluating a product's environmental impact during each stage of its life cycle, from materials procurement and manufacturing to transport, sales, usage and disposal.	In addition to managing results using LCA evaluations, we also began implementing LCA evaluations involving joint efforts from the research and development stage for new environment-related conceptual projects. We will move forward with a review of carbon footprint labeling, based on a clear understanding of social conditions and global trends. We consider this an ongoing challenge.
Human rights and labor practices	Global companies find themselves needing to prepare more for risks related to human rights and labor practices. We find it very beneficial that Unicharm, which has operations around the world, is actively promoting CSR procurement through collaboration with its locally incorporated subsidiaries in Asia. We believe a new challenge for the future is how the company engages with local communities around the world.	We will collaborate with related departments internally and continue to strengthen our risk management system both in Japan and overseas.
Community involvement and development	We believe that clear targets should be made and shared on how Unicharm's sales of Mamy Poko Pants Standar in Indonesia or its overseas expansion is making contributions to resolving the unique challenges faced by emerging countries. By doing so, Unicharm will be able to better convey its worldwide social contribution activities to its stakeholders.	In Japan, we will focus on the declining birthrate and aging population, while overseas we will emphasize achieving the UN Millennium Development Goals. Specifically, we will promote initiatives aimed at resolving social issues such as encouraging gender equality, raising the status of women, improving the health of expectant mothers, reducing infant mortality rates and eliminating poverty. We will also actively disseminate information on our activities.



Unicharm Group's CSR Major Activities and Indicators (KPI)

Related Item	Items Where Unicharm is Making Efforts		Ideal Vision (Goal)	Major Activity Plan for FY2011
Along with the Environment	Initiatives to reduce environmental impact		Contribute to the realization of a sustainable society that balances economic growth with environmental protection by applying proprietary and ambitious environmental standards to all corporate activities.	Continuously promote Group-wide environmental impact reduction activities as well as the reduction and more efficient use of resources.
	Environmentally friendly product development activities		Contribute to the realization of a sustainable society that balances economic growth with environmental protection by promoting environmentally friendly manufacturing and providing world-first, and world-leading products and services in terms of safety and quality that deliver comfort, impression, and satisfaction to people around the world.	Consider the environmental during the product development stage.
	Environmental management		Contribute to the realization of a sustainable society that balances economic growth with environmental protection by building and implementing a PDCA cycle for environmental activities and by reducing environmental impacts.	Continually measure / record environmental impact, disclose correct information and reduce environmental impacts.
	Biodiversity conservation activities		Contribute to biodiversity conservation.	Improve the Company's biodiversity initiatives.
Along with Our Customers	QOL improvements		Provide world-first and world-leading products and services in terms of safety and quality that deliver comfort, impression, and satisfaction to people around the world, and contribute to a better quality of life for everyone.	Promote marketing that captures changes in society and the environment, market trends, and customer needs.
	Improve product quality and ensure product safety			Promote safety management initiatives.
				Promote quality control initiatives.
				Promote initiatives to reflect customer feedback in products.
	Improve customer satisfaction		Leave a lasting impression on customers, deepen relationships with customers and provide satisfaction to customers.	Promote initiatives aimed at enhancing customer service satisfaction.
	Fair marketing and information disclosure		Support customers' independent decisions and selections by correctly and proactively providing appropriate information to customers.	Promote initiatives to ensure proper product labeling practices are followed.
Promote disclosure of corporate and product information using the Company's website.				
				Disclose CSR activities in the CSR report.
Management	Corporate governance		Achieve company growth, ensure employee happiness and fulfill social responsibilities by maintaining transparent corporate management and actively disclosing information.	<ul style="list-style-type: none">● Continue to properly hold board of directors' and board of auditors' meetings● Implement internal control for sites in both Japan and overseas● Continue to properly disclose information based on amendments to disclosure ordinances
	Sound corporate culture		Ensure the Unicharm Way, a systemized specific mechanism for all employees and executives to take action in accordance with the corporate philosophy and corporate ethics, is practiced Group-wide.	<ul style="list-style-type: none">● Set up global intranet system● Hand out booklets to employees and stream president messages (weekly) to ensure better penetration of the Unicharm Way
	Fair procurement practices	Promotion of CSR procurement	Promote CSR activities in cooperation with suppliers and achieve co-existence with suppliers by enhancing CSR activities in the overall supply chain.	Conduct supplier questionnaires using the CSR procurement self-check list
		Fair and equal trade with suppliers	Achieve co-existence with suppliers by building fair and equitable business dealings with suppliers.	Promote company-wide procurement strategy and hold the Quality Policy Briefing Session for suppliers
	Protection of intellectual properties		Ensure the Company uses its intellectual properties by protecting the intellectual property rights (important company assets) of the Company and making sure employees protect and respect the intellectual properties of other companies and the Company, as noted in the Unicharm Group Action Guidelines.	Fairly articulate innovations based on objective evidence and build a structure for consumer communication that maximizes freedom of expression
	Fair competition and trade		Comply with laws on competition and trade, and promote correct corporate management by undertaking fair and equitable trade.	Conduct legal affairs training on violations of the Unfair Competition Prevention Act and Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors
	Compliance and risk management	Compliance	Promote correct corporate management by educating Group companies and affiliates about the Unicharm Way and guidelines to complying with the Unicharm Way (including insider trading prevention rules and affiliate management rules, etc.).	Develop and thoroughly implement various guidelines
				Conduct risk and compliance training at local incorporated subsidiaries overseas
		Internal control based on J-SOX-compliance	Promote correct corporate management by properly analyzing forecast risks and ensuring the internal control system functions to prevent and avoid such risks.	Strengthen risk management structure and internal control
				Information security

Unicharm Group began formulating and implementing important CSR activities and KPI together with related departments internally. Going forward, we seek to enhance the quality of these initiatives by implementing the PDCA cycle.

	Main Indicators for Achieving Ideal Vision (Goal)	Indicators and Results			Self-assessment	Results of FY2011 Activities	Major Activity Plan for FY2012	Location Mentioned in CSR Report*3
		Target*1	Results	Unit				
	[Domestic] Total CO ₂ emissions *compared to 2000	-21	-22	%	○	Implemented operations using a multi-site ISO14001-compliant EMS.	Install energy-saving facilities in conjunction with ancillary facility upgrades.	P36-37 (P25)
	[Domestic] Total waste emissions (3 main sites) *compared to 2000	-12	-11	%	△	Implemented UTMSS improvement activities (Reduce product waste and effectively utilized materials during the production process).	Promote waste reduction and recycling within the Group centered on UTMSS improvement activities.	
	[Domestic] Ratio of environmentally friendly products	55	56	%	○	Continually deliberated review items for environmentally friendly solutions at the Environmental Product Working Group.	Re-examine operations of the Environmental Task Force and examine ways to systemize improvements made to multi-site EMS operations.	P34-35 (P24)
	[Domestic and Overseas] Number of countries with ISO14001-compliant EMS	6	6	countries	○	LG Unicharm (South Korea) acquired ISO14001 certification.	Promote streamlining systems, including re-examination of multi-site EMS operational methods.	P31-33
	[Domestic and Overseas] Participation rate in corporate networking events to gather information	100	100	%	○	Participated in corporate networking events and lectures to create specific indicators, exchange information and learn about good practices.	Formulate policy on biodiversity.	P37
	[Domestic and Overseas] Product likability indicator *compared to 2010	100	105	%	○	Implemented manufacturing that improves customer satisfaction. Strived to stabilize the supply of products following the Great East Japan Earthquake and worked to enhance customer trust.	Engage in marketing that maximizes customer satisfaction by capturing changes in society and the environment, market trends, and customer needs in the countries the Company operates.	P29
	[Domestic] Implementation rate of product pre-safety checks	100	100	%	○	Performed safety checks on all products prior to release regarding compliance with laws and regulations and industry standards.	Obtain information on laws and regulations in the countries the Company operates and perform proper safety check testing.	P30
	[Domestic] Complain reduction rate	-5	-11	%	○	Implemented improvement measures based on information concerning faulty products.	Implement improvement measures based on information concerning faulty products and activities to ensure improvements are maintained.	
	[Domestic] Implementation rate of customer feedback reports (by business division / once per month)	100	95	%	△	Shared customer feedback in monthly meetings and reflected customer feedback in product modifications or new product releases.	Convey customer feedback in a timely manner and reflect customer feedback in products in a speedy manner.	P26-27 (P26)
	[Domestic] Customer service satisfaction survey: Percentage of satisfied customers	88	90	%	○	Responded quickly, fairly, and faithfully, and as a result received strong customer satisfaction evaluations for the Company's response.	Continue to perform customer service satisfaction surveys and further improve the quality of our responses to customers.	
	[Domestic] Number of cases involving product labeling problems	0	0	cases	○	Implemented product labeling confirmation activities based on laws and regulations, industry standards and other relevant information.	Continue to abide by laws and regulations, industry standards and other relevant information.	P27
	[Domestic and Overseas] Number of countries with website presence	7	7	countries	○	Made preparations for the launch of a new corporate website in Saudi Arabia.	Launch new corporate websites in Saudi Arabia and India.	P29 (P26)
	[Domestic] Number of times CSR report published	1	1	times	○	Published CSR Report 2011 (print and web editions).	Publish CSR Report 2012 (print and web editions).	P18 (P18)
	[Domestic] Implementation rate of board of directors' / board of auditors' meetings	100	100	%	○	Held board of directors' and board of auditors' meetings according to the annual plan.	Hold board of directors' and board of auditors' meetings according to the annual plan.	P46
	[Domestic and Overseas] Implementation rate for promoting environment to use the Unicharm Way through establishment of global intranet system (English / Japanese)	100	73	%	△	Launched the global internal intranet (i-navi) in August 2011 and established environment where 8 of 11 countries can access the Unicharm Way in English.	Establish environment where all overseas subsidiaries can access the Unicharm Way in English.	P46
	[Domestic and Overseas] Distribution rate of the Unicharm Way to employees	100	100	%	○	Distributed paper-edition of the Unicharm Way to newly hired college graduates and mid-career hires.	Distribute paper-edition of the Unicharm Way to newly hired college graduates and mid-career hires.	
	Conformance rate with the CSR procurement self-check sheet *Target country for FY2011: South Korea	90	91	%	○	[Overseas] Supplier self-check and status survey conducted in South Korea (LG Unicharm). Checked corrections that were made in Taiwan, China, Thailand and Indonesia.	[Overseas] Continue to implement corrections based on the results of status surveys. [Domestic] Publish CSR procurement guidelines	P44 (P27)
	[Domestic] Number of times Quality Policy Briefing Session held for suppliers	1	1	times	○	Held the Quality Policy Briefing Session involving 161 representatives from 65 companies. Quality improvement initiatives over the last 10 years were reviewed and suppliers were asked to continue improving quality going forward.	Expand quality improvement initiatives implemented in Japan to overseas sites. Hold Quality Policy Briefing Session in China.	
	[Domestic and Overseas] Label screening study session implementation rate (number of times implemented / number of times planned)	100	100	%	○	Held label screening study sessions at marketing departments of domestic and overseas subsidiaries, for employees being dispatched overseas and newly hired college graduates.	Hold label screening study sessions in the marketing departments of domestic and overseas subsidiaries, for employees being dispatched overseas and newly hired college graduates.	P47
	[Domestic and Overseas / Group companies] Legal affairs training implementation rate	100	100	%	○	Held legal affairs training in marketing departments, development departments, for employees being dispatched overseas and newly hired college graduates.	Continue to hold legal affairs training in marketing departments, development departments, for employees being dispatched overseas and newly hired college graduates.	P47
	[Domestic] Insider trading prevention rules training implementation rate (those targeted)	100	100	%	○	Held e-learning training session on insider trading prevention rules for executive officers and senior managers.	Publish portal learning "ox legal affairs" on insider trading prevention rules for all employees.	
	[Domestic / Group companies] Affiliate management rules training implementation (affiliates)	100	100	%	○	Held training session on changes to affiliate management rules at all affiliates.	Confirm and collect reporting matters to the head office stipulated in affiliate management rules.	
	[Overseas] Implementation rate of legal affairs audit plan	100	100	%	○	Conducted legal audit at the subsidiary in Malaysia.	Revise legal audit plan and further expand target locations.	P46-47
	[Domestic and Overseas] Number of serious flaws or series deficiencies found in the company-wide management evaluation of internal control	0	0	cases	○	● Formulated BCP covering new risks and set company-wide risk items. ● Evaluated company-wide internal control (covering entities accounting for 95% of consolidated sales). ● Evaluated operating process internal control (covering entities accounting for 2/3 of consolidated sales).	● Formulate BCP covering new risks and set company-wide risk items. ● Evaluate company-wide internal control (covering entities accounting for 95% of consolidated sales). ● Evaluate operating process internal control (covering entities accounting for 2/3 of consolidated sales).	
	[Domestic] Number of serious flaws or series deficiencies found in the operational process management evaluation of internal control	0	0	cases	○			
	[Domestic] Number of information divulgence incidents	0	0	cases	○	● Managed customer information on a separate server. ● Established system to immediately terminate the ID of lost or stolen information equipment. ● Formulated the Unicharm Group Social Media Policy and distributed it to employees in written format.	● Continue to manage customer information on a separate server. ● Continue running system to immediately terminate the ID of lost or stolen information equipment.	P47
	[Domestic] Implementation rate of company-wide Information Security Committee	100	100	%	○	Held meeting involving all information security managers.	Constructively change the format of the meeting involving all information security managers and improve security organization functionality by holding meetings on the frontlines.	
	[Domestic and Overseas] Number of incidents where systems failed during a disaster	0	0	cases	○	Established new back-up center. Expanded the number of systems requiring back-up assurance from only 1 before the earthquake to 3.	● Expand the number of systems requiring back-up assurance to 4. ● Implement training exercise for a system failure.	

Related Item	Items Where Unicharm is Making Efforts		Ideal Vision (Goal)	Major Activity Plan for FY2011
Unicharm Group CSR	CSR management		Earn the trust of stakeholders by establishing and operating a system to implement the PDCA cycle for CSR activities, and disclosing the details of such activities.	Continue to hold CSR Committee meetings and promote important CSR themes
Stakeholder Engagement	Stakeholder engagement	General	Build a relationship of trust with stakeholders by recognizing stakeholder needs through stakeholder engagement and continually reflecting these needs in corporate activities.	Promote activities that encourage communication with various stakeholders and hold the stakeholder dialogue session
		Shareholders	<ul style="list-style-type: none"> ● Maintain growth that will earn the trust of shareholders and maintain industry-leading shareholder returns. ● Strive to clarify accountability and improve management competencies in order to promote correct corporate management. ● Actively disclose management information and strive to promote trustworthy corporate management. 	Proactively disclose important information in a timely manner and continue to hold dialogue in which senior management and persons in charge of investor relations meet with people working in the capital markets.
Human Rights	Respect for human rights and prohibition of discrimination		Contribute to the realization of a bright society without discrimination by striving to educate workplaces about human rights awareness and by promoting a workplace culture that respects the individual personalities and capabilities of each and every employee.	Continue to utilize and promote the employee consultation and counseling hotline
Along with Our Employees	Respect for diversity	Promotion of employment of persons with disabilities	Employees working together with respect for and trust of one another regardless of age, gender, nationality, employment format, or disability.	Continue to promote the employment of persons with disabilities
		Promotion of rehiring employees after mandatory retirement		Continue to promote the rehiring of employees after mandatory retirement
	Improved workplace environment		<ul style="list-style-type: none"> ● Foster a corporate culture that provides opportunities for equal self-realization and to develop self confidence and pride, based on respect for each and every employees' autonomy. ● Foster the creation of a diverse and open group of persons that respect the values and time of one another in all situations. 	<ul style="list-style-type: none"> ● Continue to conduct the employee satisfaction survey (every year), identify issues and create policy ● Provide workplace environments where diverse human resources can actively contribute ● Make efforts to reduce the amount of overtime work (hold company-wide no-overtime days and implement summer time schedule) ● Implement suggestion system and eradication of meaningless work
	Occupational health and safety	Guarantee of safe workplace environment	Give utmost priority to employee health and safety, and guarantee comfortable workplace environment.	Conduct Health & Safety Committee meeting
		Promote employee health and mental care		Implement mental health care training and return-to-work program
	Human resource development / utilization		Foster employees that are never satisfied with the status quo and always strive for personal development and to tackle new challenges.	Implement global human resources development training
	Dialogue between labor and management		Under foundation of mutual trust between labor and management, achieve corporate growth together as well as maintain / improve employee labor conditions and ensuring a stable lifestyle.	Hold discussions with the labor union
Along with the Society	Social contribution activities		Take part in activities based on the needs of local communities, build a relationship of trust with the community and society, and contribute to improved health and hygiene standards of people to make society more sound and dynamic.	Promote measures across the entire Unicharm Group (Japan: pink ribbon activities, carbon offset initiatives, education in first menstruation, child raising support project, provision of paper diapers to Shikokuchuo City, factory tours for employee family members, implement volunteer leave program, etc.) (China: pink ribbon activities, etc.)
Reconstruction Assistance for the Great East Japan Earthquake	Disaster relief activities		Contribute to the safety of people and restoration of disaster-affected areas by providing assistance to every extent possible as a manufacturer that provides daily essentials.	Take part in disaster relief activities (company-wide activities that combine the provision of relief supplies, matching donations, and assistance to disaster-affected areas with super cool biz summer dress code).

	Main Indicators for Achieving Ideal Vision (Goal)	Indicators and Results			Self-assessment	Results of FY2011 Activities	Major Activity Plan for FY2012	Location Mentioned in CSR Report*3
		Target*1	Results	Unit				
	[Domestic] CSR Committee meeting implementation rate	100	100	%	○	Held CSR Committee meetings (Quality Assurance Task Force, Environmental Task Force, CSR Promotion Task Force) according to the annual plan.	Hold CSR Committee meetings according to the annual plan.	P7 (P7)
	[Domestic] Stakeholder dialogue session implementation rate	100	100	%	○	Held stakeholder dialogue session involving several external specialists in academia under the theme "Unicharm's Responsibilities to Society as a Global Company."	Continue to hold the stakeholder dialogue session.	P19 (P19)
	[Domestic and 5 Countries Overseas] Employee CSR report reading session implementation rate	100	100	%	○	Held employee CSR report reading sessions in 5 countries overseas (China, Thailand, Taiwan, Indonesia, South Korea) and small group meetings at all domestic business divisions/departments.	Continue to implement employee CSR report reading sessions both in Japan and overseas.	P18 (P18)
	[Domestic] Financial presentation implementation rate	100	100	%	○	Senior management presented performance results to investors at financial presentations (in Japan).	Hold financial presentation briefings (in Japan).	P45
	[Overseas] Implementation rate of dialogue with overseas investors	100	100	%	○	Senior management used overseas investors relations roadshows to hold dialogue with major overseas institutional investors.	Hold investor relations roadshows overseas.	
	[Domestic and Overseas] Small meeting implementation rate	100	100	%	○	Persons in charge of investor relations met individually with investors on more than 300 occasions both in Japan and overseas to explain about the business operations of the Company to persons working in the capital markets.	Hold individual meetings with investors.	
	[Domestic] Employee consultation and counseling hot line response rate	100	100	%	○	Responded to all consultations received by the employee consultation and counseling hotline.	Continue to respond to consultations received by the employee consultation and counseling hotline.	P47
	[Domestic] Employment rate of persons with disabilities	1.8	1.8	%	○	Promoted workplaces where employees with disabilities can contribute their skills and expertise, and making workplaces barrier-free. Continued to promote employment of persons with disabilities.	Continue to promote workplaces where employees with disabilities can contribute their skills and expertise, and the employment of persons with disabilities.	P41
	[Domestic] Rehirement rate after mandatory retirement	60	64.7	%	○	Had a 100% rehirement rate of employees after mandatory retirement. Interviews held between future retirees and their supervisors on future career options one year prior to mandatory retirement. System established to promote rehirement after mandatory retirement based on feedback received from the individual, providing them the choice and seat.	Continue to implement current initiative and consider holding life planning training sessions for employees 57 years of age. Continue to actively increase the number of employees seeking rehirement after mandatory retirement.	
	[Domestic] Number of times employee satisfaction survey conducted	1	1	times	○	Conducted employee satisfaction survey. Confirmed employees' current situation and satisfaction with work and reflected this in various management policies.	Continue to implement the employee satisfaction survey and reflect results in management initiatives policies.	
	[Domestic] Ratio of employees taking parental leave	90	238 ^{P2}	%	○	Uploaded maternity and parenting leave guidelines on the intranet. Provided an opportunity at the back-to-work interview for persons on leave to discuss their work format after returning and their childcare needs.	Continue to implement current initiatives.	P39
	[Domestic] No-overtime day implementation rate	100	100	%	○	Implemented once per month according to annual plan. Employees notified by audio announcements and email. Summer time schedule rolled out beginning in May 2011.	Continue to hold once per month according to annual plan.	P40
	[Domestic] Submission rate of proposals for eradicating meaningless work	100	100	%	○	Each and every one of the 1390 employees submitted one proposal to eradicate meaningless work based on a rethinking of their work and its true essence.	Utilize proposals to eradicate meaningless work in operational reforms and link these with solutions to organization-wide themes.	
	[Domestic] Health & Safety Committee meeting implementation rate	100	100	%	○	Held once per month according to the annual plan. Held health management lecturers led by industrial physicians and worked to reduce employee working hours.	Hold once per month according to the annual plan.	P39
	[Domestic] Health check-up screening rate	100	100	%	○	Implemented employee health check-ups during the fiscal year. Also provided post-exam care and recommendations for employees requiring second screening.	Implement employee health check-ups during the fiscal year. Provide information on health-check up options and results via e-learning. Also, continue to provide post-exam care and recommendations for employees requiring second screening.	
	[Domestic] Mental health care training implementation rate (for those applicable)	100	100	%	○	Held mental health training for manager-level employees and self-care training for general employees.	Continue with training programs and re-examine curriculum.	
	[Domestic] Theme-based and rank-based training program implementation rate (for those applicable)	100	100	%	○	In addition to induction, professional development, training programs aimed at different ability levels and areas, and training for newly appointed managers and officers, also provided leadership training programs for managers through the Unicharm Business College, which has a strong management focus, and overseas business trip accompanying the president.	Continue to hold current training programs.	P40
	[Domestic] Number of discussions held with the labor union	12	12	times	○	Held a wide range of discussions on employment issues and rules deliberations, etc.	Continue to hold discussions once per month.	P41
	[Domestic and Overseas] Number of activity items promoted company-wide	15	18	items	○	Promoted measures across the entire Unicharm Group (● Japan: pink ribbon activities, child raising support project, provision of paper diapers to Shikokuchuo City, factory tours for employee family members, conclusion of disaster prevention agreement with Shizuoka Prefecture, etc. ● China: pink ribbon activities ● Indonesia: donations provided to orphanage ● Taiwan: donations provided to social welfare group, etc.)	Continue to implement activities promoted on a company-wide level.	P42-43
	[Domestic and Overseas] Implementation rate of relief to disaster-affected areas.	100	100	%	○	Provided assistance to disaster-affected areas (● Great East Japan Earthquake: company-wide activities that combine the provision of relief supplies, matching charitable donations, and assistance to disaster-affected areas with super cool biz summer dress code, introduced summer time work schedule, newly launched 2-pack Chorittai Ultra 3D Shape Mask that donates 1% of sales to disaster relief efforts, ● Floods in Thailand: Provided relief supplies, employees took part in volunteer activities, etc.)	Continue to provide assistance to those areas affected by the Great East Japan Earthquake.	P20-21 (P28)

*1: Qualitative goal is set as 100%.

*2: Value based on General Entrepreneur Action Plan of The Law for Measures to Support the Development of the Next Generation.

*3: The first line corresponds to the PDF version and second line in brackets to the print version.

Self Evaluation Standards: ○ = Goal achieved △ = Mostly achieved × = No Progress

Initiatives for the environment through business activities

Ideal Vision

We will contribute to the sustainable development of a society which maintains a balance between conservation of the environment and economic growth through the creation of environmentally friendly manufacturing.

Initiatives through our products

Unicharm has established a basic environmental policy which states it will strive to create environmentally friendly manufacturing. We are committed to achieving the target ratio for environmentally friendly products established in our environmental goals. In FY2011, we achieved a ratio of 56% environmentally friendly products, compared to our goal of 55%. We have set a goal of 60% for FY2012 to further expand our environmentally friendly product line.

Since the inception of our unique environmental label, the "Eco Charming mark" in 2008, a total of 18 products have come to bear this label. In FY2011, Humany Urine Aspirator Pad became the latest product to be given the Eco Charming mark.

▶ What is Eco Charming mark?

Only products that satisfy strict standards for both "reduced environmental impact" and "product value enhancements" are eligible to bear the Eco Charming mark. Decisions on applying the Eco Charming mark to a product are based on the Unicharm factor, an environmental standard established in our Eco Label Guidelines.



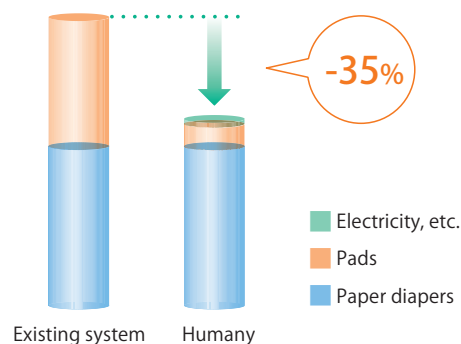
Example of product with Eco Charming mark



▶ "Humany Urine Aspirator Pad" became the newest product to be given the Eco Charming mark in FY2011

Humany helps reduce the number of pads used in a day from between five and seven to one to two, which contributes to the effective utilization of resources and reduction of waste. In comparison to the "combined use of pads and paper diapers", the "combined use of Humany and paper diapers" results in an approximately 35% reduction in CO₂ emissions.

● Comparison of total CO₂ emissions with the existing system

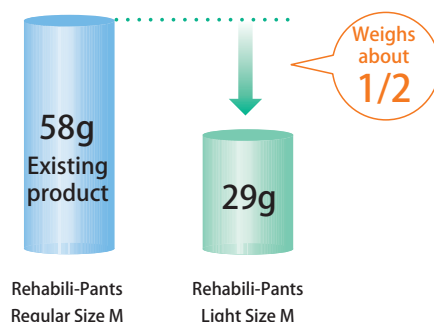


* Comparison based on daily usage, excluding effects from the manufacturing of the equipment.

▶ Realizing improved comfort and environmental efficiency, "Lifree Rehabili-Pants Light (Institutional Use)"

"Lifree Rehabili-Pants Light" released in 2011 was developed to weigh half of the existing product through the use of a super slim absorbent that measures just 1 mm thick. This new light weight product not only improves comfort for users but also drastically reduces waste of resources.

● Weight comparison with existing product



VOICE



Takehisa Kabeya
Director

LCA Development Office,
Department of Product and
Environmental Aspects, Japan
Environmental Management
Association For Industry

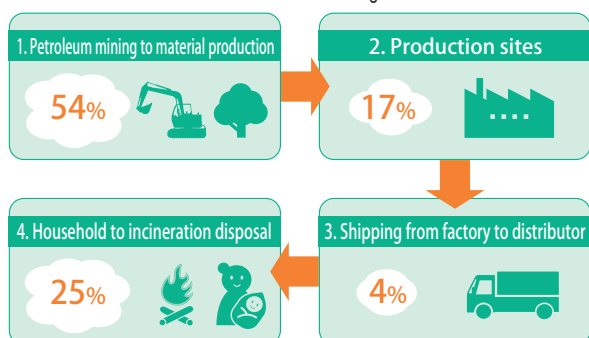
Eco Charming mark implements methods of LCA and environmental efficiency wisely and looks at the product from wider view point, not limiting to the reduction of environmental impact. It also has a positive factor of functionality and other usability of the product, making it an appealing initiative. I hope that the number of certified products to increase and also for the customers to get to know about them.

Initiatives at production sites and offices

▶ To reduce CO₂ emissions

CO₂ is emitted in various stages of Unicharm's business activities including material manufacturing, product manufacturing, shipment, usage, and disposal. The CO₂ emitted during the material manufacturing and the final waste disposal stages is being reduced through the development of environmentally friendly products that feature lighter weight designs and other innovations. Factory emissions, which comprise about 20% of total emissions, are derived from electricity usage as well as use of heavy oil and city gas as fuels. Of the factory emissions in FY2011, 90% came from electricity usage. As such, Unicharm is promoting CO₂ emission reductions through energy conservation initiatives.

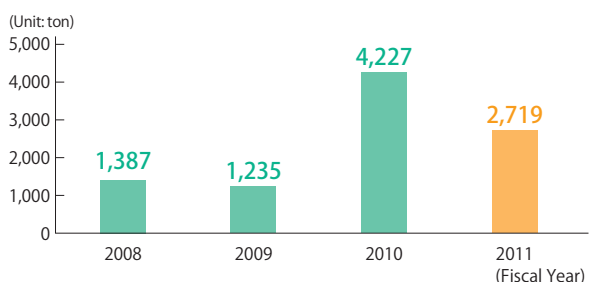
● Breakdown of CO₂ emissions in various stages of our business activities



▶ Energy conservation activities at production sites

In FY2011, overall energy consumption increased by 0.9% over the previous year as production volume increased following the Great East Japan Earthquake. However, the base unit per net sales decreased by 3.4%. The Energy Conservation Working Group led a number of initiatives in this effort. As a result of upgrading incidental facilities at the Fukushima Factory, including its cooling machine, the factory's efficiency was improved. In addition, due to the continuous implementation of production facility improvements as part of the UTMSS^{*1} improvement project, a reduction equivalent to 2,719 tons of CO₂ was achieved.

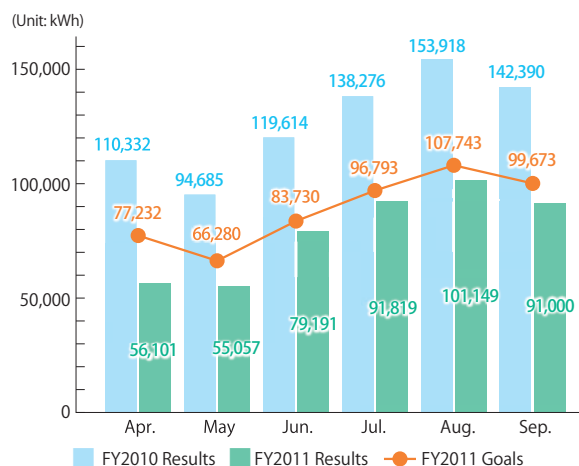
● CO₂ emission reduction through energy conservation



▶ Energy conservation activities in offices

According to Article 27 of the Electricity Business Act, the Mita Headquarters became subject to energy consumption controls during nearly its entire business hours following the Great East Japan Earthquake. As a result, efforts were made to achieve the goal of a "30% year-on-year reduction in energy consumption", including cutting usage during times of peak power demand. A 25-item energy conservation activity standard including the implementation of summer time and thinned-out schedule for fluorescent light usage was established, and seminars on this standard were held for the employees. This standard was thoroughly implemented, yielding a 37% reduction from last summer, which greatly exceeded the goal. In comparison to FY2010, CO₂ emissions were reduced by 167 tons. Our energy conservation efforts were not limited to the Mita Headquarters as we promoted measures at all of our business sites as a whole.

● Energy Consumption in Mita Area by Month



Furthermore, business vehicles are gradually being replaced by hybrid cars. The ratio of new hybrid cars deployed in FY2011 increased by 15.9 points from previous fiscal year to 24.4%

▶ Zero Emissions

In FY2011, 10 out of 17 locations in Japan (division in terms of environmental management) achieved zero emissions^{*2}. The recycling ratio for all locations combined was 96.1%.

*1 UTMSS: Unicharm Total Management Strategic System

*2 Zero emission: Recycling rate of 99.0% or higher

Along with Our Customers

Ideal Vision

Unicharm will contribute to creating a better quality of life for everyone in the world by offering world's first and world-leading product and service of the finest quality and safety that will bring comfort, excitement, and joy to its customers around the world.

Communicating with customers

▶ Initiatives of the Customer Service Center

At the Customer Service Center, we strive to improve customer satisfaction by responding to the valuable feedback we receive from our customers in a prompt, fair, and sincere manner. In FY2011, the Customer Service Center received approximately 77,000 calls. We also conduct surveys by interviewing customers when they make inquiries at the Customer Service Center regarding their level of satisfaction and opinions concerning our customer service. In FY2011, 90% of customers responded that they were satisfied with our services. The feedback we receive was in turn shared within the company and used to help further improve customer service.

In July 2006 we made a voluntary declaration of conformity in our complaint response management system in line with ISO10002. At our customer service centers overseas in countries such as China, Thailand, Taiwan, and Indonesia, we have been promoting the horizontal deployment of a complaint response management system that complies with ISO10002. This is one of our initiatives for improving customer satisfaction across the entire Group.



Customer Service Center

▶ Reflecting customer feedback in our products

Feedback received from customers is shared in a timely manner among relevant departments through the customer information management system, or "SMILE System", as well as through daily, weekly, and monthly reports and meetings for enhancing existing products and developing new products. In addition, a Customer Service Center seminar is held for employees, to which 348 employees attended in FY2011. The company as a whole is committed to enhancing its focus on the customer and the quality of products it provides to meet customer satisfaction.

● Example of customer feedback reflected in our products

Customer requesting the release of Hadaomoi for light flow



Release of "Hadaomoi Gokusu Ultra Slim for Light Flow" in March 2012

In response to a customer's request to release "Hadaomoi" for light flow, in addition to the currently available "Hadaomoi" product, because of their sensitive skin, we released "Hadaomoi Gokusu Ultra Slim for Light Flow" in March 2012 as a new product.

▶ Communication with customers using various media

As a specialized manufacturer, Unicharm provides information on continence care, first menstruation, and parenting to customers within Japan. In March 2012, a Facebook page for Moony was established to provide a platform for new moms to communicate with one another. In conjunction with "Baby Town", which boasts approximately 500,000 members, this social media page disseminates parenting information to customers. In addition, we have developed corporate websites for overseas locations aimed at strengthening Internet communication with the customers both in Japan and abroad.



Continence Care Navi
<http://www.carenavi.jp/>



First Body Navi
<http://www.unicharm.co.jp/girls/index.html>



Moony on Facebook
<http://www.facebook.com/moonyjapan>



Pre-Mama Town
<http://www.premama.jp>
Baby Town
<http://www.babytown.jp>



Unicharm China
<http://www.unicharm.com.cn/>



Uni-Charm Thailand
<http://www.unicharm.co.th/>

In April 2012, we released a new and improved "Moony" featuring an all-new material that is gentle for sensitive baby skin. The new TV commercial for "Moony" stars actress Koyuki, who gave birth to her first son this January, and disseminates the view and ideals of Unicharm.



New "Moony" TV commercial presentation event

Along with Our Business Partners

Ideal Vision

We will collaborate with suppliers in implementing CSR activities and promote CSR throughout the entire supply chain, in an effort to produce better products.

Approach to materials procurement

At Unicharm, we share our philosophy on safety and the environment through close cooperation with our suppliers.

At our overseas sites, where we are expanding our operations, we strive to establish business relationships with partners that meet our standards in terms of quality, function, safety, environment, and services, in product lines of varying prices in growth markets. In promoting these efforts, we make use of our approaches to successful supplier relationships that we have established in Japan.

In addition to promoting procurement activities with a particular emphasis on crisis management, going forward, we aim to establish a sound understanding of Unicharm's stance and view on compliance with laws and social imperatives and extending due consideration to human rights in labor when we commence trading with new overseas partners. We will also seek the cooperation of existing partners in environmental and ethical areas.

Promoting CSR procurement in cooperation with supplier

Unicharm established CSR procurement guidelines and implemented them in 2009.

The guidelines incorporate provisions relating to applicable laws, human rights, industrial relations, environment, and product safety, as stated in the Global Compact. We held briefing sessions for suppliers in China in 2009 and in Thailand, Indonesia, Taiwan, and Korea in 2010 and 2011 to share our CSR procurement guidelines. In addition, we committed to promoting CSR throughout the supply chain as a whole by conducting site visits, procurement status investigations, and correctional actions based on the result of analysis conducted on each supplier's procurement status using a self-check sheet completed by suppliers.



Investigation of CSR procurement status in Taiwan

● Condition of CSR procurement promotion

	Taiwan	Thailand	China	Indonesia	Korea
Self-check	2010	2010	2009	2010	2011
Status investigation / Verification of correctional actions	2011	2010	2010	2011	2011

CSR procurement guidelines

1. Compliance with laws and social imperatives

- (1) Comply with related laws and social imperatives in purchasing activities.
- (2) Provide fair and equitable competitive opportunities in purchasing activities, regardless of nationality, size, or track record.
- (3) Strive for the appropriate management of information obtained in purchasing activities.

2. Procure safe products and materials that provide a peace of mind

- (1) Choose products and materials in purchasing activities for which safety has been confirmed.
- (2) Choose economical and high quality materials and products in purchasing activities.
- (3) Emphasize the ability to manufacture and supply products that meet requirements in purchasing activities.

3. Give due consideration to human rights and labor

- (1) Engage in purchasing activities with corporations who respect human rights.
- (2) Engage in purchasing activities with corporations who give due consideration to inhumane labor practice.
- (3) Emphasize engaging in purchasing activities with corporations who promote appropriate employment practices.

4. Responsibility to the environment

- (1) Value corporations who understand the importance of, and promote environmental conservation in purchasing activities.
- (2) Emphasize environmentally friendly raw materials in purchasing activities in an effort to achieve a recycling-oriented society.

5. Development of relationships of mutual trust

- (1) Cultivate a relationship and trust with business partners within the scope of social norms.
- (2) Strive to enhance business performance mutually through exchange of essential information with business partners.

Quality Policy Briefing Session

In July 2011 we held our 10th Quality Policy Briefing Session with 161 participants from 65 companies in attendance. During the session, we shared the results of efforts to improve quality through the year and awarded the suppliers who contributed to the improvement. We also presented a "10th Anniversary Special Award" to those suppliers who had

achieved outstanding results over the past decade. We closed the session by asking our suppliers to continue their efforts on our behalf.

Going forward, we will shift the focus of our efforts toward overseas, and we ask our suppliers to assist us in achieving further improvements in quality.

Reconstruction Assistance for the Great East Japan Earthquake

Unicharm once again extends its heartfelt sympathies to those affected by the earthquake and tsunami that struck Japan on March 11, 2011. The following section provides a report on Unicharm's assistance efforts in the wake of this large-scale disaster.

Main initiatives following the earthquake and tsunami

2011

- March 11 • The Great East Japan Earthquake strikes
 - Crisis Management Team (CMT) established.
 - Whereabouts and safety of all employees confirmed, including those at the Fukushima Factory and North Japan Branch.
- March 12 • Disaster response framework established
 - Assistance efforts launched in collaboration with administrative agencies, other companies in the industry, and municipalities
 - First convoy of vehicles loaded with relief supplies departs for the disaster zone
- March 13 • Five trucks loaded with relief supplies arrive in the Tohoku region. First relief supplies delivered to the disaster zone
- March 18 • Establishment of "Matching Fund" for charitable donations
- March 25 • Product specifications of Mamy Poko Pants partially modified (temporary changes made because of damage suffered by raw materials manufacturer)
- March 26 • Production partially restarted at the damaged Fukushima Factory
- May 2 • "Summer Time" work schedule introduced as means to conserve electricity during the summer



Poster "Promoting the Best Use of the Summer Time"

- May 9 • Fukushima Factory becomes fully operational again
 - A portion of disposable diapers for adults were temporarily imported from overseas affiliates
- June 30 • A total of 2,540 "Chorittai Ultra 3D Shape Mask for Kids" donated to Tanagura Town, location of the Fukushima Factory
- July 1 • "Matching Fund" established combining "disaster relief assistance" with "Super Cool Biz" employee dress code
- August 31 • Launched new "Two-pack Version of Chorittai Ultra 3D Shape Mask", with 1% of sales donated to disaster-affected areas
- September 1 • Donated 2.68 million "Chorittai Ultra 3D Shape Mask" to children attending day care, kindergarten, elementary, junior high, and high schools in Fukushima Prefecture

2012

- January 16 • Held campaign in support of the earthquake and tsunami reconstruction effort together with Tsuruha Holdings in which Unicharm purchased domestic emissions credits generated from Tsuruha using part of the proceeds from the campaign (ran until March 16)
- March 6 • Donated 5 million "Chorittai Ultra 3D Shape Masks" to children attending day care, kindergarten, elementary, junior high, and high schools in Iwaki City, Fukushima Prefecture
- May 7 • Commenced "Super Cool Biz" employee dress code two months in advance

Breakdown of relief supplies provided to those in need

(As of March 31, 2012)

Disposable diapers for babies	270,000
Disposable diapers for adults	140,000
Sanitary napkins	750,000
Masks	12,290,000
Nursing pads	220,000
Imported diapers	110,000

(As of April 24, 2012)

Pet food / Pet mats	18.7 tons (160,000 pieces)
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"Matching Fund" established combining disaster relief assistance with "Super Cool Biz" employee dress code

Unicharm established a second matching fund in order to assist disaster-affected areas and promote electricity conservation. We designed an original polo shirt and pin that attaches to a personal polo shirt for employees to purchase and wear to work during the summer. An amount of merchandise (26 Humany urine-aspirating robots and 112 cases of specialty pads totaling 7,168) equivalent to the proceeds from employee purchases was donated to 12 hospitals in three prefectures, including Iwate, Miyagi, and Fukushima. Donated goods are being used for toilet care in the disaster-affected areas.



"Blue Sky" – designed after a smiling face in hopes that the disaster-affected areas will return to normal as soon as possible (calligrapher: Soun Takeda; media: paper)



Promoting employee-led activities

"Chorittai Ultra 3D Shape Mask" donated to the children of Fukushima Prefecture

Unicharm donated 2,540 children's masks to Tanagura Town, which suffered damage in the earthquake, and where the Fukushima Factory is located. In addition, as part of our efforts to continually assist those in need in disaster-affected areas, we donated a total of 7.68 million "Chorittai Ultra 3D Shape Masks" to children attending day care, kindergarten, elementary, junior high, and high schools in Fukushima Prefecture. Many of these children have sent us letters of appreciation for our donations.



Letter of appreciation from an elementary school student from Hanawa Town, Fukushima Prefecture



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	Contents	●	●	●
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	Relationship between Unicharm and its Stakeholders	●	●	●
	Guiding Framework	●	●	●
	Unicharm's CSR Promotional Structure	●	●	●
Introduction of Business Activities	Unicharm's CSR Domain	●	●	●
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Feature Topic	Supporting the Super-Aging Society with Gentleness	●	●	●
	Supporting Women and Children in Asia with Gentleness	●	●	●
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Reconstruction Assistance for the Great East Japan Earthquake	Reconstruction Assistance for the Great East Japan Earthquake	●	●	●
Unicharm Group's CSR Major Activities and Indicators (KPI)		●	●	●
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	Initiatives for the Environment Through Our Business Activities	●	●	●
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	Environmental Accounting	●		
	Activity Results for FY2011	●		
	Site Data	●		

Chapter Title	Topic	Web version	PDF version	Print version
Along with Our Employees	Approach to Human Resources and Respect For Human Rights	●	●	
	Occupational Health and Safety	●	●	
	Creating Comfortable Workplaces	●	●	
	Human Resource Development and Utilization	●	●	
	Employee Commendations	●	●	
	Respect for Diversity	●	●	
	Personnel Related Data	●	●	
Along with the Society	Social Contribution Initiatives	●	●	
	Contributing to Society Through Our Core Business	●	●	
	Social Contribution Activities Closely Rooted in the Local Community	●	●	
Along with Our Business Partners	Approach to Materials Procurement	●	●	●
	Promoting CSR Procurement	●	●	●
	Briefing Session on Quality Policy	●	●	●
Along with Our Shareholders and Investors	Industry-leading Return on Investment	●	●	
	Information Disclosure for Our Investors	●	●	
	Inclusion in SRI Index	●	●	●
Management	Corporate Governance	●	●	
	Compliance	●	●	
	Risk Management	●	●	
Third Party Auditor's Report		●	●	
List of Contents/ List of Recognition from Third Parties		●	●	●
CSR Accounting		●		
CSR Report 2012 Questionnaire		●		
CSR Report 2011 Questionnaire Results		●		



FTSE4Good



Unicharm has been included in prominent worldwide socially responsible investment indexes, including the "FTSE Good Index Series" and "Morningstar Socially Responsible Investment Index (MS-SRI)".

List of Awards and Commendations Received in FY2011

Month and year	Name and description	Recipient
April 2011	Distinguished Creativity Award from the Minister of Education, Culture, Sports, Science and Technology for productivity improvements made for the manufacturing of "Lifree Rehabil-Pants" and "Silcot Wet"	Takayuki Matsushima, Shizuoka Factory, Unicharm Products Co., Ltd. Masahiro Tabuchi, Toyohama Works, Shikoku Factory, Unicharm Products Co., Ltd.
April 2011	"Best Equity-Linked Offering: Euroyen Convertible Bonds due 2013 and 2015" from Thomson Reuters Marketing's "Dealwatch Awards 2010"	Unicharm Corporation
May 2011	Letter of appreciation from the Ministry of Economy, Trade and Industry for the provision of relief supplies to areas affected by the Great East Japan Earthquake	Unicharm Corporation
July 2011	"Silver Award of Merit" from the Japanese Red Cross Society for activities encouraging blood donations	Unicharm Products Co., Ltd.
September 2011	Letter of appreciation from the Mayor of Shirakawa City, Fukushima Prefecture for the donation of masks	Unicharm Corporation
September 2011	Nikkei BP's "Eco Brand Survey": 98th	Unicharm Corporation
September 2011	Nihon Keizai Shimbun's "Best Workplaces" in Japan 2011: 36th	Unicharm Corporation
September 2011	FY2011 "Minister's Animal Rights Merit Award"	Toshio Takahara, former Chairman of Unicharm Pet Care Company
November 2011	Nihon Keizai Shimbun's "FY2011 NICES Corporate Ranking": 9th	Unicharm Corporation
December 2011	Audience granted with Her Royal Highness Maha Chakri Sirindhorn (Thailand) for the provision of relief supplies to flood ravaged areas	Uni-Charm Thailand Co., Ltd.
December 2011	"Chorittai Ultra 3D Shape Mask" selected for inclusion in "Case Studies of Great Japanese Products – Design Strategy and Intellectual Property Rights" published by the Patent Office under the Economy, Trade and Industry Ministry	Unicharm Corporation
January 2012	Nihon Keizai Shimbun's 15th "Environmental Management Survey": 113th	Unicharm Corporation
February 2012	Interbrand's "Japan's Best Global Brands 2012": 26th	Unicharm Corporation
February 2012	"Minister of Economy, Trade and Industry Award" in the Overseas Division of the "4th Japan Manufacturing Awards" for the technology transfer of disposal diapers and sanitary napkins to Saudi Arabia and the promotion of manufacturing management	Unicharm Gulf Hygienic Industries Ltd. (Saudi Arabia)
March 2012	Letter of appreciation from the Ministry of Agriculture, Forestry and Fisheries of Japan for providing disposable diapers and sanitary napkins in response to request from the ministry following the Great East Japan Earthquake	Unicharm Corporation
March 2012	Letter of appreciation from the Japan Foundation for contributions to the assistance of reconstruction effort of areas affected by the Great East Japan Earthquake	Unicharm Corporation
March 2012	Toyo Keizai's "CSR Ranking 2012": 67th	Unicharm Corporation
March 2012	World Intellectual Property Organization's "2011 Corporate Ranking of International Patent Applications": 76th	Unicharm Corporation



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