

Corporate Social Responsibility Report 2014

Gentle care for life



Overview of the Unicharm Group

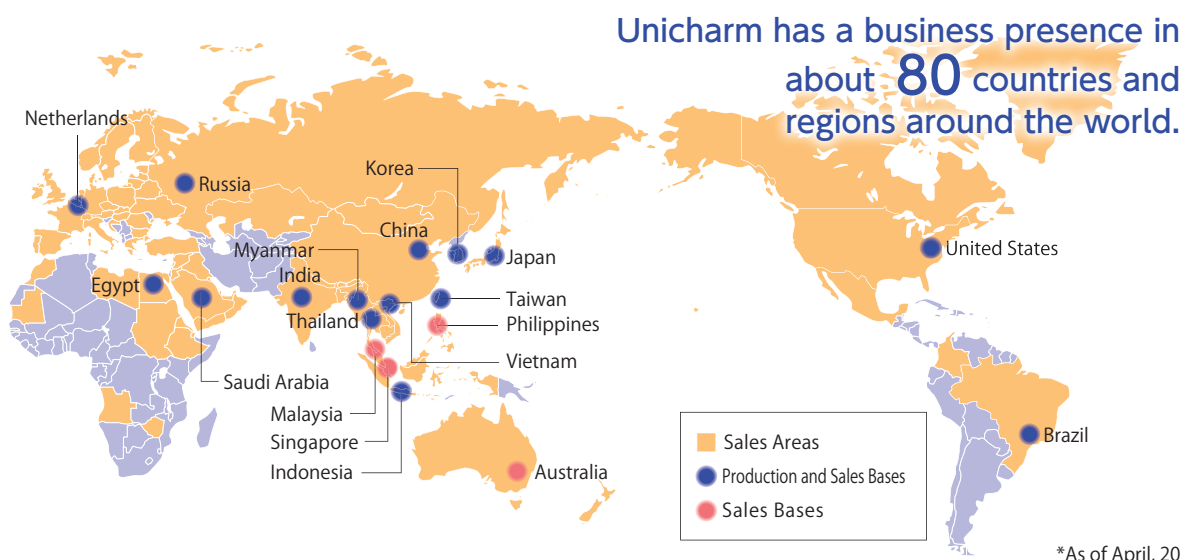
Company profile

Corporate Name	Unicharm Corporation UNICHARM CORPORATION
Date of Establishment	February 10, 1961
Capital	15,992 million yen (as of March 31, 2014)
Number of Shares Issued	206,944,773 (as of March 31, 2014)
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	12,795 (on a consolidated basis as of March 31, 2014)
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 Clean & fresh products Pet care products
URL	http://www.unicharm.co.jp/ http://www.unicharm.co.jp/english/index.html

Primary Consolidated Subsidiaries and Affiliates

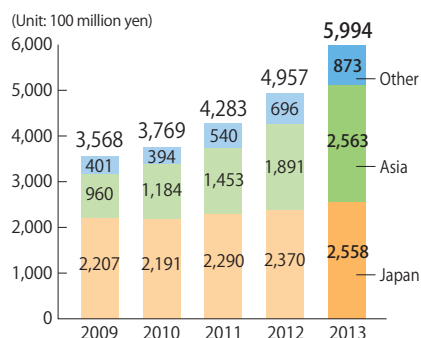
Japan	Unicharm Product Co., Ltd. Unicharm Kokko Nonwoven Co., Ltd. Cosmotec Corporation Unicharm Mölnlycke K.K.
Overseas	United Charm Co., Ltd. (Taiwan) Uni-Charm (Thailand) Co., Ltd. Unicharm Consumer Products (China) Co., Ltd. LG Unicharm Co., Ltd. (Korea) PT Uni-Charm Indonesia (Indonesia) Uni.Charm 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) Diana Joint Stock Company (Vietnam)
Other	31 companies (as of March 31, 2014)

Production and Sales Areas

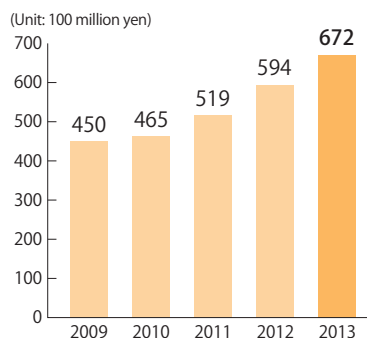


Main Business Indicators

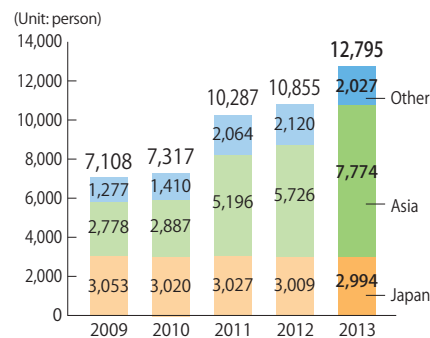
Consolidated net sales



Consolidated operating income



Number of group employees



Editorial Policy

Preparation of the "CSR Report 2014"

This document has been prepared as Unicharm Group's Corporate Social Responsibility (CSR) report. This report reaffirms that our CSR is the fulfillment of our corporate philosophy "NOLA & DOLA"*, and presents how we practice CSR through our business activities. In particular, the social problem of a super-aging society and the progress of responses to the global issues in the current fiscal year, including *Making Life Better for People Living in Asia by Reducing the Burden of their Daily Life*, can be found in the Feature Topic sections of this report.

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 FY2013 as well as the latest information for the early part of FY2014.

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, 2013 to March 31, 2014 (including some activities prior to and after the above period, as well as future targets)

Reference Guidelines

- GRI Sustainability Reporting Guidelines Version 3.1
- 2012 Environmental Reporting Guidelines of the Ministry of the Environment
- ISO26000

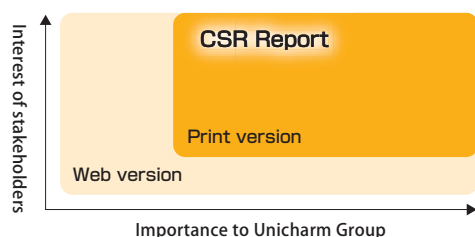
Date of issue

June 25, 2014. Next date of issue: March 2015

Available at

- CSR & Environmental Information on the Unicharm website (all items reported)
- Booklet "CSR Report 2014" (Digest Report)

Role of this report



This report focuses on topics of concern that the company would like to particularly share with its readers and stakeholders in this year's edition. Please refer to our website for the full report.

Contents

Overview of the Unicharm Group	2
Editorial Policy/Contents	3
Message from the President	4
Unicharm Group's CSR	6
Introduction of Business Activities	8
Feature Topic 1 Making Life Better for People Living in Asia by Reducing the Burdens of Daily Life	10
Feature Topic 2 Responding to a Super-Aging Society	14
Continue to provide support to the disaster-affected areas from the Great East Japan Earthquake	18
Unicharm Group's Primary CSR Themes and Major Indicators (KPI)	20
Along with Our Customers	24
Along with the Environment	28
Along with Our Employees	32
Along with the Society	36
Along with Our Business Partners	38
Along with Shareholders and Investors	39
Management	40
Third Party Assurance Report	42
List of Contents/ List of Awards and Commendations Received in Fiscal 2013.....	43

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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>

Continually Dedicated to Realizing a Symbiotic Society through Our Business Activities

Unicharm's CSR is the Realization of Our Corporate Philosophy of "NOLA & DOLA"

Advancements in IT and globalization have brought about various changes around the world that have exceeded even our wildest imagination, creating a new normal where change is now the norm. At the same time, social issues facing the world today have grown more diverse, from the declining birthrate and aging populations facing Japan and other developed countries to global environmental issues, and poverty and health issues in developing countries. Helping to resolve these myriad issues through our core business will be one and the same as the fulfillment of our corporate philosophy of NOLA & DOLA, which represents Unicharm's corporate social responsibility. NOLA & DOLA stands for Necessity of Life with Activities & Dreams of Life with Activities, which embodies our commitment to provide people, from newborn infants to the elderly, with products that physically and psychologically support through gentle care so that they may be free of their burdens and their dreams may be fulfilled. For feminine hygiene products, one of our oldest and original business segments, this means reducing the discomfort of menstruation as much as possible, and for diapers, this means lessening the burden placed on mothers raising children. In other words, our mission is to support consumers so that they can live as oneself for as long as possible. In particular, when it comes to Japan's aging population today, one of the most important themes facing Unicharm is how we can enable seniors to continuously live as they have always lived.

Aiming to Realize a Symbiotic Society

Japan's population of seniors in age of 65 and older has surpassed the 30 million mark. The next society to face an aging population will undoubtedly be Asia itself. Once this occurs the most ideal form of society will be a symbiotic society, I believe. A symbiotic society refers to a society where all generations of people help one another and live together in harmony. It will be important that such a society does not involve mutual support that ends up being a burden for both parties, but rather encourages independence, respects



President and CEO
Unicharm Corporation

高原 豪久
Takahisa Takahara

individuality, and offers communities where both youth and seniors alike can live together naturally.

Since it entered the adult diaper business in 1987, Unicharm has continually proposed new ways of doing things when it comes to nursing care. In 1988, we introduced the Lifree Urine Suction Pad, which when used together with an adult diaper on the outside changed everyone's belief that diaper changing is a labor intensive affair. In 1995, we launched Lifree Rehabilitation Pants with the clear message of eliminating bed ridden seniors. This product changed consumer views that seniors should not move their bodies more than they have to and that laying down and being less active is more beneficial. Today, we carry this product in an assortment of different types so that seniors will be able to select the right product for the condition of their health and physical abilities. We are constantly seeking out ways to help resolve customer issues, particularly reducing the burden of continence care for both caregivers and patients alike, including helping increase opportunities to get out of the house by expanding the lineup of pads and liners for mild incontinence and jointly developing together with Hitachi, Ltd. a urine-suction robot called Humany that can automatically detect and suck in any discharge of urine.

Similar to humans, the world's pet population is also seeing a steady rise in aging. We first entered the pet care market in 1986, and with the aim realizing a society where families and their beloved pets can live happily together, we launched a new pet diaper in 2001. Living with a pet is known to positively affect one's mental and physical health, and for this reason we plan on being a partner to pet owners to help provide a great sense of joy in peoples' lives.

Unicharm carries products that are used by every generation and member of the household, from infants to seniors, men and women, and even pets. We are committed to continually creating products and services that will help in the realization of a symbiotic society going forward.

Tackling Social Issues Globally

Unicharm's overseas expansion began back in 1984 with the establishment of our local subsidiary in Taiwan. During the 1990s we expanded predominantly in the Asia region and today we supply diapers and feminine hygiene products to consumers in some 80 countries and regions around the world. Capitalizing on our long-standing product development and marketing capabilities cultivated in Japan, our approach in each country is carefully aligned with local lifestyles and customs, which has helped to spur on a rapid expansion in our footprint overseas. In the midst of this expansion we announced our participation in the UN Global Compact in 2006 and our support for the UN Millennium Development Goals, both of which continue to this day. Additionally, our past initiative that supported women's advancement in Japanese society is now being promoted internationally with a new, upgraded format. In October 2012, our initiatives in the Middle East/North Africa and Asia regions to create employment opportunities for women and supply affordable feminine hygiene products were recognized for inclusion in the Business Call to Action (BCtA) lead by the United Nations Development Program. Also, our initiatives to support the social advancement and provide employment opportunities to women through the establishment of an exclusively women's only plant in Saudi Arabia received the top prize in the business category at the Second Nikkei Social Initiative Awards in June 2014. All of our employees felt a great sense of pride and joy from this recognition which has served to motivate them even more.

Moving forward, Unicharm will build a sustainable and robust organization in which each and every employee plays a role in "management with resonance," and through its business activities, help to resolve various social issues facing the world today, such as the further advancement of women in society and ensuring the sound and healthy growth of children. We will also continually contribute to creating a better quality of life for everyone by offering only the finest products and services, which deliver comfort, impression and satisfaction to people around the world.

Your continued understanding and support will be greatly appreciated.

Unicharm Group's CSR

Unicharm Group's CSR is to Implement the

Integrating CSR with Our Businesses

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." Our CSR is embodied by our commitment to achieve this aspiration through our business activities and to help resolve social issues in the process.

Unicharm's Corporate Philosophy System



Corporate Philosophy
NOLA&DOLA

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.

The Unicharm Ideals

1. We contribute to creating a better quality of life for everyone by offering only the finest products and services to the market and customers, both at home in Japan and abroad.
 1. We strive to pursue proper corporate management principles which combine corporate growth, associate well-being and the fulfillment of our social responsibilities.
 1. We bring forth the fruits of cooperation based on integrity and harmony, by respecting the independence of the individual and striving to promote the Five Great Pillars.
- (Established in 1974)

"Beliefs and Pledges" and Corporate Principles of Action

"Five Great Pillars" and Associate Principles of Action

CSR Promotional Structure

Established cross-organizational CSR structure

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



Reference Framework for Unicharm's CSR Strategy

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.

UN Global Compact



Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.

UN Global Compact's 10 Principles

Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

UN Millennium Development Goals



ISO26000



GRI Guidelines



Unicharm Philosophy



* 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.



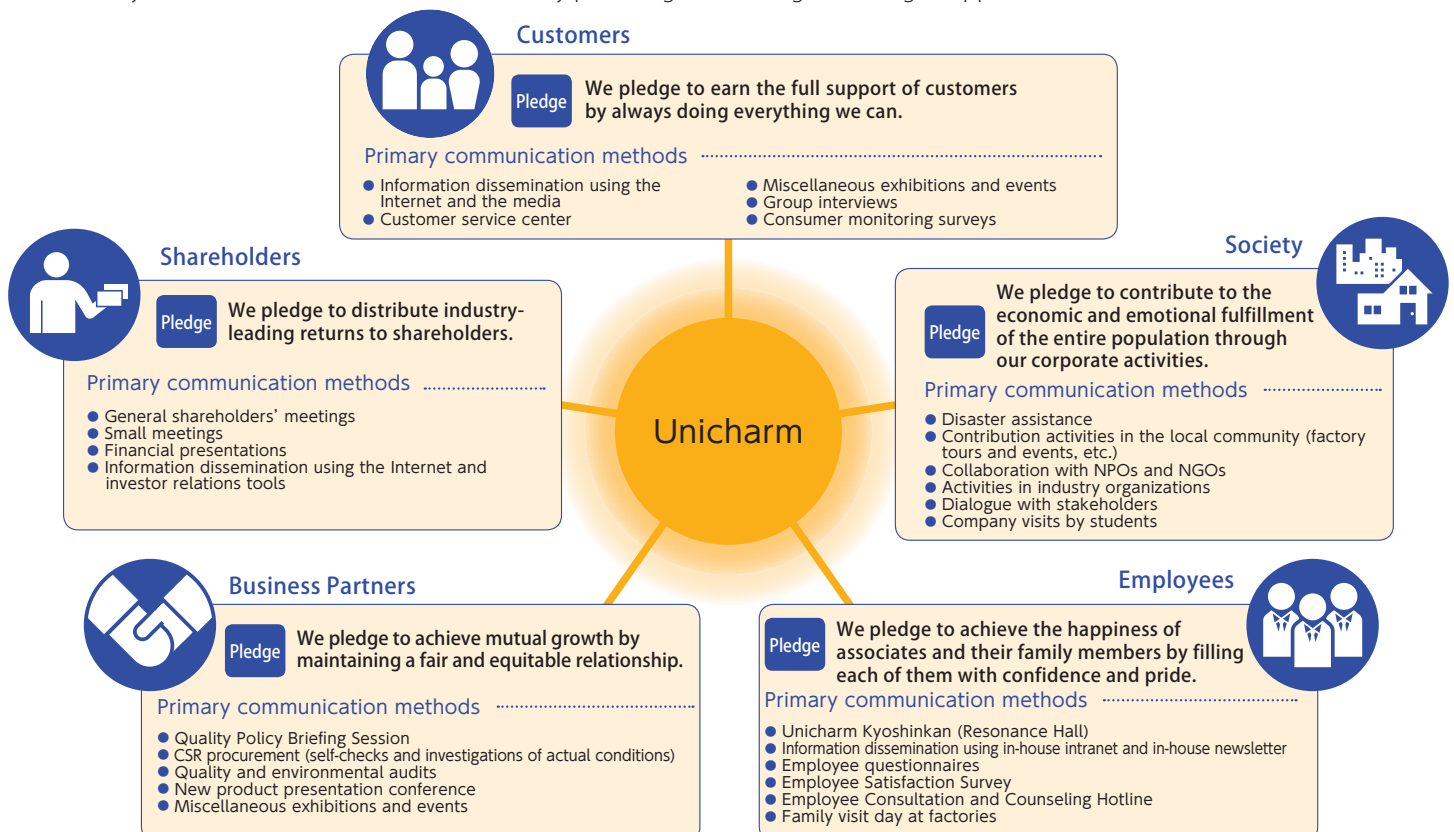
CSR Department General Manager
Global Development Division General Manager
Director, Managing Executive Officer
Unicharm Corporation
Representative Director and President
Unicharm Products Co., Ltd.

Eiji Ishikawa

The Unicharm Ideals, which were established to achieve our corporate philosophy of NOLA & DOLA, state, "We contribute to creating a better quality of life for everyone by offering only the finest products and services to the market and customers, both at home in Japan and abroad." Since our founding, we have constantly been aware of the expectations placed on us from society under these ideals and have continually devoted ourselves to customers. As a result, we have received strong support from consumers in many countries around the world. Going forward, to achieve our corporate philosophy, we will deliver value to stakeholders through our core business as a dedicated manufacturer of non-woven fabric and absorbing materials. By having more customers use our products, we will be able to foster joy in childcare, support women's advancement in society and help extend the healthy-life expectancy of people.

Relationship with Stakeholders

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.



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 "MamyPoko," focused on fun. We also provide diapers of our global brand "MamyPoko" for babies overseas from East/Southeast Asia to Middle Eastern countries.

Product lineups



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-nap." 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



Health Care Business

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

Business philosophy 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

超立体 超快適



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

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, the "Silcot" brand features highly functional pre-moistened wipes and high quality makeup puffs, and "Fresh Master" is a freshness maintaining sheet used for commercial trays and mats. Our products are loved by many for their functions and quality.

Product lineups



Wave



Silcot



Fresh Master for commercial use



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 the 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



Aiken (Dog) Genki



Gin no (Silver) Spoon



Deo-Sheet



Deo-Toilet



Pet Disposable Diapers



Hartz

Making Life Better for People Living in Asia by Reducing the Burdens of Daily Life

Unicharm: creating a society that supports women's active participation through our products, services, and working environments.



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. Here at Unicharm we have been working to achieve 4 main goals.

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

Deployment of our Japanese business model throughout the world

In the 50 years since the founding of Unicharm, we have never wavered in our goal "to realize each person's dream by providing products that physically and mentally relieve various burdens, from babies to senior citizens."

There have been significant changes in Japanese society in past 50 years. People's lives have become filled with abundance, and women have advanced in society. Unicharm has played a role in supporting the social advancement of Japanese women by providing feminine hygiene products with the goal of "transforming women's discomfort to comfort." We have been offering wide range of products, from disposable diapers for babies to products to assist caregivers, to relieve burdens women face in various aspects of their lives. We are proud that we have grown in harmony with the progress of Japanese society, and that we have been able to simultaneously contribute to its progress.

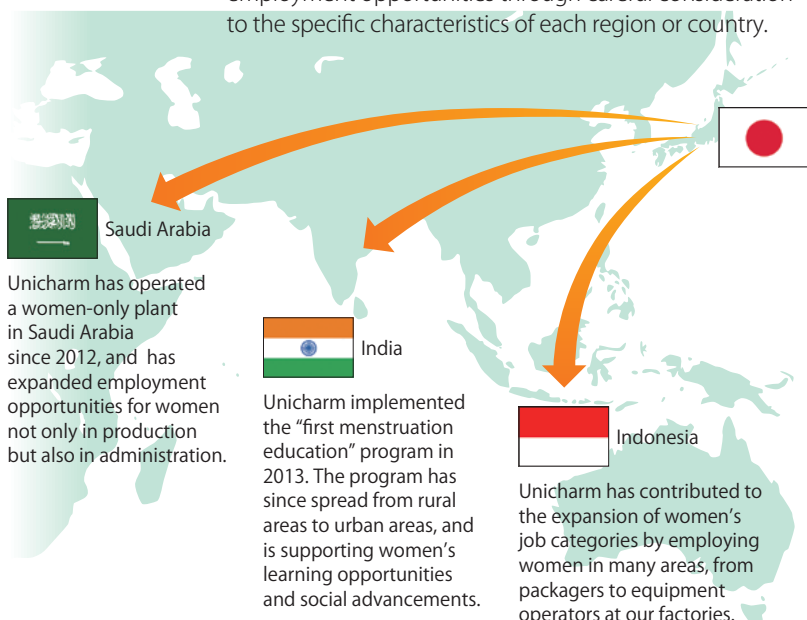
Turning our eyes to the rest of the world, we can't help but be concerned that a number of countries in Asia and the Middle East are still working towards development. In October 2012, Unicharm's business activities providing baby-care and feminine-care products in the Middle East/ North Africa and Asian regions was recognized as a project responding the Business Call to Action (BCtA) initiative of the UNDP. Our contributions are expected to improve the lives of 36 million women in these areas. Based on the know-how we have acquired through our activities in Japan, we will promote the empowerment of women in developing countries by providing products, services, and employment opportunities through careful consideration to the specific characteristics of each region or country.



BUSINESS
CALL TO
ACTION

Business Call to Action

A global initiative established in 2008, Business Call to Action (BCtA) aims to achieve the UN Millennium Development Goals through the core business of private companies. In collaboration with local international development agencies in each country, the United Nations Development Programme (UNDP) has implemented a support program to aid in the construction of business models that provide both social benefits for the developing countries as well as commercial benefits for the companies operating there.





Saudi Arabia



Provision of women-friendly working places

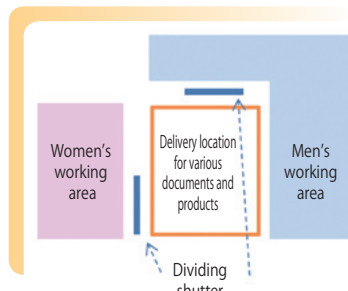
Under the strict Islamic law, women are not supposed to show their skin or faces to men outside the family; in fact, they shouldn't even be in the same room with or talk to men outside the family. Even though working is allowed, workplaces where women can work in accordance with these strict laws are extremely limited.

We decided that by establishing a women-only plant where Saudi women can work without coming into contact with men, Unicharm could support women's social advancement while respecting their cultural practices and religious views. From that idea, a new Unicham production site was established in Saudi Arabia in May 2012, the first plant of its kind. Saudi Arabia, the home of the holy city of Mecca and known as being a strictly Muslim country, now boasts a women-only plant in its capital city of Riyadh.

The efforts we made were not limited to making the production areas where women work off-limits to men, but included the creation of a delivery location that is separated by shutters, to accommodate the situations in which female employees need to interact with men, such as delivering documents and products.



Women workers wearing abaya (black over-garments) for the photo shoot.



Women-only plant in Saudi Arabia

We expanded the employment of women in the office as well as in the production site in 2013, to continue supporting women's employment. Furthermore, to create even more employment opportunities, we established a stay-at-home work system for persons with disabilities.

Even in a social environment that places many restrictions on women's lives, we want to offer help and support for women to make social advances; with our women-only plant in Saudi Arabia, one of our hopes has been realized and continues to make progress.



The second annual "Nikkei Social Initiative Award" Winner of the award in the business category

Unicharm received the award in the business category of the Second Nikkei Social Initiative Awards, an award to recognize companies and organizations engaged in noteworthy initiatives to develop social business and solve various social issues through their business practices.

This year, there were 401 entries for the award, and 7 awards were made. Unicharm was highly acclaimed for our contributions to the expansion of employment opportunities for women by establishing a women-only plant in Saudi Arabia and hiring women not only as factory workers but also as office workers, as well as for our empowerment of women by providing high-quality products and services.

* Unicharm also entered our urine-suction robot "Humany" for the award. Humany, which promotes independent support for senior citizens and people with disabilities, was named as a finalist. Please see Feature Topic 2 (pages 16-17) and Continuous Support for 2011 Tōhoku earthquake and tsunami (page 18) for more information on "Humany."



The Nikkei Social Initiative Awards Ceremony



A Message from a Female Worker in Saudi Arabia

Unicharm Gulf Hygienic Industries Ltd.
Supervisor
Ameena Al Shamari

I am very delighted to hear that our plant received an award in Japan. Unicharm has made a great contribution to the social advancement of women in Saudi Arabia.

Until quite recently, I didn't dream of working nor had I realized how wonderful working is at all! In this country there are still many women who have not gained the opportunities to work, and many people who can't afford Unicharm products. I will continue to make efforts as an employee of a company that strives to empower women in the world.

Unicharm: creating a society that supports women's active participation through our products, services, and working environments.



India



Expansion of our "first menstruation education" program, from rural areas to urban areas

Even though India has recently experienced remarkable, rapid development, rural Indian women usually do not use feminine hygiene products, but use old clothing instead. As a result, the fear of leaking often prevents them from going out of the home while menstruating. It is still true that many rural women don't use feminine hygiene products simply because they do not have knowledge about menstruation itself or are unaware of the very existence of feminine hygiene products.

In urban areas, while many women have started to use feminine hygiene products, they still do not have enough knowledge about how to choose the best items for their conditions or how to use them properly.

With this situation in mind, Unicharm started the "first menstruation education" program in India in January 2013, in cooperation with Japan International Cooperation Agency (JICA) and local NGOs. The program was implemented in urban areas in Haryana as well as in rural areas. We provide learning opportunities and promote the social advancement of women by providing accurate knowledge about the physical aspects of menstruation and women's hygiene products.

Even during their menstrual periods, women can comfortably go about their regular activities while using our products, and eventually our products will generate a positive impact on women's lives. Unicharm's hopes for women are starting to be realized in India.



Unicharm India Private Ltd.
Assistant Manager, CSR Division
Gummaluri Anuradha

I have been conducting the first menstruation education programs for young girls as a staff member in the CSR Division of Unicharm India. We provide a baseline knowledge of menstruation, and advocate for the

importance of keeping clean by visiting schools, not only in rural areas but also in urban areas, together with local NGOs. Unicharm India set a CSR goal to establish hygiene awareness in this country. We continue working to educate as many people as possible, by providing maternity and infant hygiene programs and helping people from babies and mothers to senior citizens to lead healthy lives, and by helping as many girls as possible understand menstruation.



Indonesia



Enhancement of employment opportunities by expanding employment categories

It was 1997 when we first established our production site in Indonesia. Since that time, we have directly employed many women as packagers. In 2013, we expanded job categories for women and hired women for the first time as equipment operators, positions for which we had only hired men before. After receiving training in Japan and Indonesia in order to gain the necessary skills, the five women who were hired as operators have been rising to the challenge in their new jobs. We at Unicharm support the social advancement of Indonesian women by enhancing employment opportunities as well as by promoting our products.

Our production activity in Indonesia is an important hub which provided us with a significant awareness in developing overseas business. In 1997, when we first expanded our business to Indonesia, we produced and sold the disposable diapers "MamyPoko," the same product available in Japan. We soon realized, however, that in Indonesia "MamyPoko" was a luxury product, out of reach of the common people. So we conducted detailed surveys by home-to-home visit, sometimes even by home stays, in order to fully understand everyday life in Indonesia, including local climate and culture. We were then able to offer the more affordable product "MamyPoko PantsStandar," by eliminating and enhancing functions according to their needs. As Indonesian people don't generally make bulk purchases, we introduced a system by which they can buy diapers individually, which became very popular.



A new woman equipment operator Wulan Pertiwi

"I wanted to become an equipment operator because I was seeking some new experiences. I enjoy working as an operator, and my work feels meaningful. I aspire to be the first woman to become a member of the maintenance team in Unicharm Indonesia in the future."



A new woman equipment operator Rita Teja Sumiarti

"It has been about 6 months since I became an equipment operator. Now I am able to deal with minor troubles. I aim to improve my skills by leaning more technical skills."



Responding to a Super-Aging Society

Along with Nursing Home Staff Pursuing comfort for both care givers and their clients.

Since the introduction of “Lifree” adult diapers in 1987, Unicharm has been a leading company in adult continence-support in Japan, providing a wide range of continence-care products depending on the mobility of each user including pads and absorbent underwear for mild urinary incontinence. This feature section introduces the initiatives undertaken by a nursing home making the most efficient use of our products to deal with day-to-day continence-care issues.

Developing various continence-care products

Since the introduction of “Lifree” adult diapers in 1987, Unicharm has been a leading company in adult continence-support in Japan, providing a wide range of continence-care products depending on the mobility of each user including pads and absorbent underwear for mild urinary incontinence.

The most groundbreaking among our products was “Lifree Rehabili-Pants,” introduced in 1995. This slip-on “underwear-like pant-type” continence-care product was completely unlike traditional “tape-type diapers.” The pant-type allows wearers to easily use the product by themselves, making it easier for them to use the toilet on their own. As the absorbency of the “Rehabili-Pants” is the same as the more traditional diaper, users don’t have to worry about not making it to the toilet in time. It is an ideal product for those who can stand and walk on their own, or who are in rehabilitation.

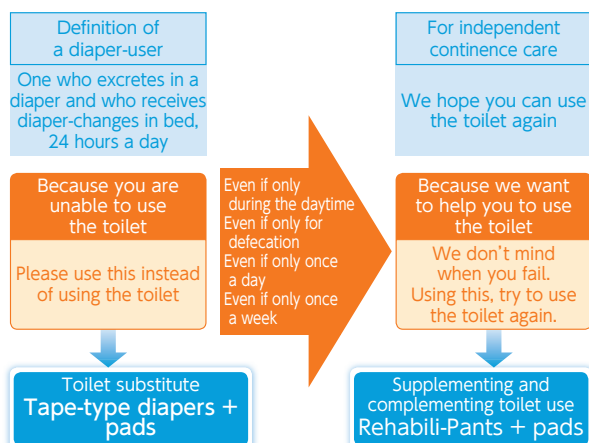
Some in the industry warned that “as this product will help many seniors to rehabilitate, the market will shrink as the number of seniors who need diapers decreases.” In contrast to this attitude, we thought it would be an absolutely necessary product in creating the “bright super-aging society” Unicharm aims to achieve, and

we managed to introduce our Lifree Rehabili-Pants to the market. Eventually, Rehabili-Pants became widely used at nursing-care facilities and also became popular among many individual consumers. The response was overwhelmingly positive, and many consumers replied that “we wanted such products!” We believe that we have made some contribution to promoting rehabilitation in order to decrease the number of bedridden senior patients.

Challenging a “Zero-incontinence Initiative” in a psychiatric convalescent hospital unit

For example, Meiwa-kai Nishi-Hachioji Hospital, located in Hachioji City, Tokyo, introduced Unicharm’s continence-care products in February 2012. Based on our “Care Advisor System”, Unicharm’s specialized staff who are all qualified caretakers, nurses, or home-care workers, visit the nursing homes and hospitals where our products are used to explain and demonstrate our products and to make suggestions for improved continence care. In the case of Meiwa-kai Nishi-Hachioji Hospital, we also conducted seminars for the nursing care staff of each hospital unit on choosing the appropriate products for

The first step towards rehabilitation (from diapers to underwear)



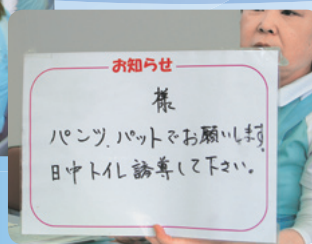
Maki Nonaka
Lifree Care Advisor
Tokyo area (1st Metropolitan Area Branch, 1st Region),
Professional Care Sales,
Sales Division, Unicharm Corporation

All of our on-site care givers dedicate themselves to providing tailored, meticulous care for each patient despite their very busy schedule and to working to improve continence care and solving related issues. These efforts from on-site staff inspire us to support them by introducing new products and providing information on overall continence care in order to improve the level of care. The passion and expertise of on-site staff and their smiles contribute to our energetic everyday activities.





Monthly meeting on nursing care



"Notice board" to share information on continence care throughout the whole hospital unit



Lifree Rehabili-Pants

each patient's condition and on proper use of our diapers and incontinence pads.

The hospital also held discussions on improving continence care in each care unit, based on the idea that "however excellent the products, hospital staff will fail to fully make use of the benefits if they don't update their attitudes towards continence care." The South-4 unit, a psychiatric convalescent unit, among others, implemented a "Zero-incontinence Initiative" aimed at eliminating reliance on adult diapers by enabling all patients to use the toilet.

Enhancement of Rehabilitation by Information-Sharing and Communication

When the initiative began, 20 of 42 inpatients in the unit used diapers, either all day or just during the night. The hospital staff discussed further what would be necessary to get these 20 patients out of diapers, and decided on collecting and sharing information, and thorough communication, as overall objectives.

Next, check-lists were created to record each patient's fluid intake, excretion amounts, and presence or absence of incontinence, in order to analyze and determine each patient's urination pattern. With this information, nursing staff promoted "toilet guidance" while actively communicating with patients about their need to defecate or urinate.

As a result of their conscientious efforts, the number of patients who are now able to use Rehabili-Pants instead of tape-type diapers has increased. "I think



Checking the status on the "Zero-incontinence Initiative Participant History"

patients who are now able to use Rehabili-Pants have become more active. Some of them even started to use fabric underwear," said Ms. Kobayashi, director of nursing.

These changes have contributed to decreasing patient discomfort and diaper rash, have lessened the economic burden on the patients, and have also led to decreasing staff workload in incontinence care and taking care of the waste. Ms. Kobayashi also said that the atmosphere of the unit has improved by increasing the conversation level between staff and patients.

Going forward, the super-aging of Japanese society is expected to continue. We hope that as many senior citizens as possible will be able to lead unrestricted, independent, and self-sufficient lives, and that both care givers and their clients can stay comfortable. Unicharm will continue to make contributions to the realization of a "bright super-aging society" by providing various useful products and information.



Ms. Yoko Kobayashi

Director of Nursing
Meiwa-kai
Nishi-Hachioji Hospital

Raising continence-care awareness led to the enhancement of individual care for each patient

With Unicharm's instruction, we learned how to select proper pads for each patient based on the volume of urine, and how to properly put diapers on, which also fundamentally changed our attitudes towards continence care at the same time. We started our "Zero-incontinence Initiative" by wondering if our patients really need to use diapers and if we could help any of our patients to use the toilet. We started to check if the patient eliminated or not, and began to share the information among the staff. Gradually, instances of leading a patient to the toilet, as well as communication between patients and staff members and among the staff, increased. Deepening the level of communication among us was a meaningful benefit. We believe it will lead to the enhancement of individual care for each patient by drawing out the motivations and concerns of each patient.



Ms. Chihomi Furuta
Chief Nurse
Meiwa-kai Nishi-Hachioji Hospital

Attitudes towards continence care have changed

"One patient was successfully out of diapers, which changed our attitude towards continence care and made us think it would be possible for other patients if it was possible for one."



"Humany" became one of the **finalists** in the business category at the Second Nikkei Social Initiative Awards.



Urine-suction robot "Humany" pursues the comfort of both care givers and their clients.

At "Oyumino," a health-care facility for the elderly located in Chiba city, many people are working on their rehabilitation toward returning home. One of the biggest barriers against home care is continence care. Mr. Sasaki, a care worker, and Mr. Inaba, a care manager, talked about the benefits of Humany, which is considered to be a savior for at-home care.

We Realized the Benefits of Humany after Giving it a Try

"We used to have an inpatient who wanted home care, but he needed to have his diapers changed at least 3 times during the night. We couldn't decide to discharge him because we thought it would be too much of a burden for his wife. Humany was introduced when we were seeking a good way to solve the problem," said Mr. Sasaki. He was a little skeptical about the possibility of a machine substituting human care, but soon realized the convenience of Humany once he used it.

"Changing of diapers is a heavy burden, both physically and mentally, for both nursing care staff and patients. Especially during the night, there are fewer staff members in the facility, and also patients who are woken up for diaper changing often have a hard time going back to sleep. But with Humany, urine is sent to the tank automatically, so that care staff only need to exchange the tank, which is much easier for the staff and doesn't wake the sleeping patient. I think our patients can comfortably sleep through the night because Humany doesn't allow their diapers to become wet."



Mr. Masaru Sasaki,
Care worker
Health-care facility for the elderly, "Oyumino"

Realizing Home Care by Lessening the Burden of Care

After a 3-week trial of Humany at our facility, both the patient and his wife mastered its use and returned home. Mr. Inaba, who provided home support before admission to and after discharge from the care facility, reported the following:

"There are many people who would like home care but there are three common problems: meals, bathing, and toilet use. It is possible to use a helper or home-delivery services for meals and day-care service is available for bathing. But using the toilet requires around-the-clock care. If there are no helpers available, the burden for both the patient and family becomes heavy. In this patient's case, Humany was a strong support for home care."

The patient had difficulty feeling urge to urinate when he was admitted to our facility, but he was able to return home by using Humany. We heard that eventually he recovered enough to go to the toilet by himself.



Mr. Kentaro Inaba
Care manager
Health-care facility for the elderly,
"Oyumino"

Humany can be used in various situations

Night time

Frequent diaper changes



Frequent trips to the toilet



Frequent transfers to the toilet



Day time

For commuting to work...



For commuting to school...



For leisure activities...





For the Promotion of Humany

As shown on the facing page, Humany is a beneficial product for many people, yet many issues remain to be solved for the popularization of Humany. Mr. Inaba pointed out that one such issue is that care managers who create care plans are not aware of the benefits of Humany. Even though they might know of the existence of the product and how good the product is, they may not think it as an option when they create care plans because the product has not been used by many people yet.

Mr. Sasaki suspects that attitudes of care staff could be a barrier, too. There is a persistent belief among care givers that care should be provided by human beings. They also tend to think that using a machine requires additional work compared to manual care. Such thoughts have led to the avoidance of even such a convenient machine.

"I hope Humany will be promoted widely because it offers major benefits in terms of working time and sanitation. I think that we, care takers, should change our attitudes to make positive use of convenient technologies including nursing care robots," said Mr. Sasaki.

Further Improvement of Nighttime Contenance Care

"I think there are many people who experience sleepless nursing care due to the burden of changing of diapers overnight. The capacity of diapers has been significantly improved over the past 10 years, and I expect that further improvements will continue to decrease the number

of diaper changes required. It would be even better if Humany could take care of defecation too," said Mr. Sasaki.

Mr. Inaba also expressed his expectation for Unicharm to develop "new product lines that can be tailored according to each individual's needs."

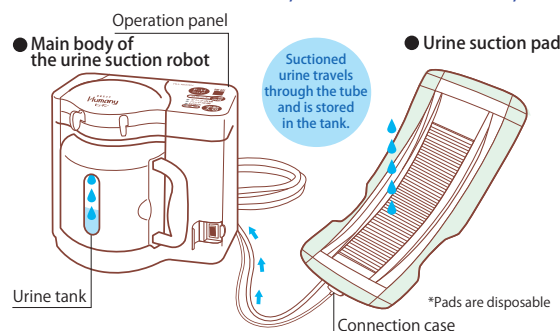
Urine-suction robot "Humany"

Our urine-suction robot "Humany" is an automatic continence-processing device that realizes "self-reliance of a patient." "Humany" quickly detects urination with a sensor built into the special urine suction pad, and sends urine to a tank. Those who require frequent diaper changes overnight or experience frequent urination will be able to sleep soundly through the night by using Humany.

How it works

● Humany's Most Important Special Feature

Urine is received on a suction pad, and is then transferred to a tank away from the user's body.



Ms. Yue Takagi
Francebed Co.,Ltd.

We interviewed Ms. Takagi, who is in charge of users' care in cooperation with welfare facilities, including "Oyumino," by promoting the proper use of welfare devices.

My biggest pleasure is hearing "I could sleep well!"

As a welfare-device counselor, I provide advice and recommendations for welfare and medical devices for those who need home care. When Unicharm first introduced Humany to me, I thought that Humany was a very proactive and innovative product in tackling continence care, which is considered to be a delicate area in nursing care.

I recommend Humany for those who experience sleepless nights as a result of frequent diaper changes or for those who have trouble changing diapers due to physical size differences. I have seen various reactions from people; many younger people are more positive about using it, but older people tend to stick with the current way or feel that it would be difficult to use a machine. Some people may think the instruction manual alone is difficult to understand, so I visit each patient's home to demonstrate proper use. I am very glad that many people have told me that they could sleep well through the night after they started to use Humany. On the other hand, some people stopped using it

because they felt guilty about taking "an easy way out." I feel that it is necessary to provide tailored advice for each client and care giver in consideration of their thoughts on nursing care, not merely to make it more convenient.

In terms of the improvement of continence care, I expect that Unicharm will continue to develop products with entirely-new concepts that will help care givers to feel accomplishments and to be more positive.

A Humany user and his family at the health-care facility for the elderly, "Oyumino"

His strong hope led to improved daily life and independent continence, and eventually he recovered enough to be able to use the toilet. After returning home, his appetite was enhanced and everyday life in general improved.



Continue to provide support to the disaster-affected areas from 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. We sincerely hope for a speedy recovery from this unprecedented disaster. Since immediately after the earthquake, Unicharm have used the Matching Fund, set up to receive charitable donations from employees, to provide supplies. Through these activities, we will continue to deepen our interaction with local residents and make contributions to local communities.

Continuing with our Matching Fund combing disaster assistance with electricity conservation

Our Matching Fund established to provide disaster relief assistance and our Super Cool Biz and Warm Biz employee dress codes to promote electricity conservation are now in their fourth year. The Matching Fund provides a matching donation for the price of our original polo shirt, badge and jacket bought by employees, with the proceeds having so far been used to purchase a total of 78 Humany urine-suction robots for hospitals and healthcare facilities in the disaster-stricken area. These robots are being used on the front lines of nursing care to help improve the quality of life (QOL) of users.

The original polo shirt used for our Super Cool Biz

employee dress code was manufactured at an apparel factory in Shirakawa City, Fukushima Prefecture, while disabled persons living at Wakatake Gakuen, a support facility for the disabled located in Miyako City, Iwate Prefecture, which also received a donation of Humany, created a salmon leather ID card case. Both of these were included in the Matching Fund.

Going forward, we stand fully committed to continuing our support for the disaster-stricken areas and carrying out electricity conservation efforts together with our employees.

Number of facilities benefited: **47**

Number of Humany units donated: **78**

(As of April 30, 2014)

Social Welfare Corporation Houkokuai
Haginoe-support facility for the disabled
(Kitakami City, Iwate Prefecture)



Social Welfare Corporation Medical and
Nursing Care Faculty Research Center
Mahoroba no Sato Taiwa-a special assisted
living facility for the elderly
(Taiwa Town, Kurokawa County, Miyagi Prefecture)



Mr. Yuki Haga, Nursing Care Worker
**Reduced Skin Troubles and
More Restful Sleep at Night**

The donated Humany has helped to reduce skin troubles and the number of times pads need to be changed at night for male residents that had large voids which caused rashes and other skin issues.

Initially residents were concerned they would not be able to sleep because of the noise of the suction pump, but there have not been any complaints so far and they are actually able to sleep quite peacefully at night. Depending on their voiding we still may have to change the pad several times at night, but family members have welcomed the Humany since it improves the physical condition of residents. This is why we continue to use the Humany for night time continence care.

The Humany is a great product that reduces the number of night time changes and improves sleeping quality, so I hope it is used by as many people in need as possible. I believe that making the price a little more affordable and expanding the range of applicable users will ensure that more people are able to use this great product. I have great expectations for the future development of and modifications to the Humany.



Mr. Yuki Takahashi, Life Supporter
Lessening Stress and Creating Smiles



The donated Humany has been used for the daily continence care of a male resident who has gradually lost his motor functions and communication abilities after suffering a stroke several years ago.

Since losing his mobility, this particular resident has had pressure ulcers on his backside and found it increasingly more difficult to use the bathroom, which required a great deal of regular assistance throughout the day to change his adult diaper. About this time is when Unicharm approached us about the Humany donation.

After we started using the Humany, all we had to do was change his pad about twice a day, eliminating the need to change his adult diaper every several hours each day. In turn, we saw an improvement in his pressure ulcers. The pad's sensor quickly detected any urination and the Humany's pump automatically suctioned off the urine, which has also relieved the discomfort he felt as well. I think the Humany has helped to reduce the burden of the care services provided by our staff, but at the same time it has also lessened the stress felt by the resident each time we had to change his adult diaper. Thanks to the Humany we have seen this particular resident smile a lot more.



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 MamyPoko 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
- 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, kindergartens, elementary, junior high, and high schools

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
- April 24
 - Donated pet foods "Aiken (Dog) Genki," "Neko (Cat) Genki" and "Deo-Sheet" (pet mats) as relief supplies through the Japan Pet Food Association
- May 7
 - "Matching Fund" established combining "disaster relief assistance" with "Super Cool Biz" employee dress code (proceeds used to purchase Humany for those areas in need)

- August 31
 - Held charity Rakugo performance at the Unicharm head office to benefit relief assistance
- November 15
 - A total of 1.36 million "Chorittai Ultra 3D Shape Masks" donated to children attending daycare, kindergarten, elementary school or junior high school in municipalities located in the Hamadori district of Fukushima Prefecture
- December 18
 - A total of 1.5 million "Chorittai Ultra 3D Shape Masks" donated to every household of Tanagura Town in Higashi Shirakawa County of Fukushima Prefecture as well as evacuees living in the town

2013

- 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 15)
- January 18
 - "Matching Fund" established for "Warm Biz" employee dress code (proceeds used to purchase and donate Humany for those areas in need)
- April 1
 - "Matching Fund" established for "Super Cool Biz" employee dress code (proceeds used to purchase and donate Humany for those areas in need)
- August 30
 - Held charity Rakugo performance at the Unicharm Shikoku Technical Center to benefit relief assistance (sponsored by the Unicharm Union)
- November 18
 - "Matching Fund" established combining "disaster relief assistance" with "Warm Biz" employee dress code (proceeds used to purchase and donate Humany for those areas in need)
- December 13
 - Held charity Rakugo performance at the Unicharm head office to benefit relief assistance (sponsored by the Unicharm Union)
- December 19
 - Organized nursing care seminar on continence care for the elderly and adult diapers in Tanagura Town, Higashi Shirakawa County, Fukushima Prefecture



2014

- March 14
 - Held charity Rakugo performance at Unicharm Nagoya to benefit relief assistance (sponsored by the Unicharm Union)
- April 1
 - Commenced "Super Cool Biz" employee dress code. Currently implementing the "Matching Fund" campaign combining "disaster relief assistance" with "Super Cool Biz" employee dress code



Unicharm Group's Primary CSR Themes and Major Indicators (KPI)

Related Item	Items Where Unicharm is Making Efforts		Ideal Vision (Goal)	Major Activity Plan for FY2013
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		Promote activities that are considerate of biodiversity in all business segments covering the entire supply chain.	Identify issues internally and understand the current in-house situation including the use of certified forests by the Unicharm Group.
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 product safety assurance measures
				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.	Take steps to improve customer satisfaction based on the results of the customer service satisfaction surveys
	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 by expanding 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' meetingsImplement internal control for sites in both Japan and overseasContinue 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 systemHand out booklets to employees and stream president messages (weekly) to ensure better penetration of the Unicharm Way
	Fair procurement practices	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
				Provide compliance and governance training to purchasing members.
	Protection of intellectual propertie		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.	Ensure the protection and respect of Unicharm and other companies' intellectual properties
	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 Japan's Financial Instruments and Exchange Act	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	Earn the trust of customers, business partners and society by strictly and securely managing received information and building a systems infrastructure that ensures the Company can continue to operate as a going concern in the event of a fire or disaster.

Unicharm Group formulates and implements 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 FY2013 Activities	Major Activities Plan for FY2014	Location Mentioned in CSR Report
		Target*	Results	Unit				
	[Domestic] Energy usage (GJ) / Net sales (millions of yen)	10.7	10.7	GJ/million yen	○	Achieved target by upgrading ancillary factory equipment and conducting continuous improvement activities.	Install energy-saving facilities in conjunction with ancillary facility upgrades.	P29
	[Domestic] Total waste emissions (3 main sites) *compared to 2000	-13	-9	%	×	Continuously 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 productivity improvement activities.	
	[Domestic] Ratio of environmentally friendly products	65	65	%	○	Identified issues at each gate during the product development stage based on new standards and revised environment-related confirmation items.	Ensure consistent implementation at each gate of product development stage.	p30
	[Domestic and Overseas] Number of items created in global operations manual	1	1	cases	○	Created manual for industrial waste and began implementing it globally	Develop implementation system globally and create environmental risk item implementation manual	p28
	[Domestic and Overseas] Information exchange with related departments.	4	4	times	○	Shared information and identified issues with purchasing department regarding the current status of materials procurement	Establish environmental vision in conjunction with changes to the Medium-term Management Plan	Online
	[Domestic and Overseas] Product likability indicator *compared to 2012	100	109	%	○	Strived to enhance product value by developing customer insight based on an approach to product development that improves customer satisfaction, and fostered greater trust among customers by providing a stable supply of products.	Conduct marketing focused on public interests by maximizing customer value and recognizing changes in social environment, market trends and customer needs.	p26
	[Domestic] Number of problems with material or product safety	0	0	cases	×	Performed safety checks on all materials and products prior to release based on laws/regulations, industry standards and voluntary in-house standards and, as a result, no safety problem occurred during product usage.	Obtain the latest information on laws and regulations in the countries the Company operates and perform proper safety check testing on products.	p27
	[Domestic] Complaint reduction rate	-1	+9	%	×	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] Achievement rate of product proposals based on customer feedback	100	102	%	○	Discussed product improvement proposals based on customer feedback at monthly divisional meetings and managed to make progress which helped achieve targets.	Convey customer feedback in a timely manner at monthly divisional meetings and swiftly reflect it on products.	p24-25
	[Domestic] Customer service satisfaction survey: Percentage of satisfied customers	90	89	%	△	Responded quickly, fairly, and faithfully and as a result received strong customer satisfaction evaluations for the Company's response but regrettably did not reach the target barely.	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	○	Performed conformity checks on all products prior to their release in Japan for compliance with laws/regulations and industry standards, checked labels to prevent improper use and collected evidence for product labeling, and, as a result, there was no legal violation in advertisement or misleading labels, etc.	Continue to abide by laws/regulations, industry standards and voluntary in-house standards and implement evidence collection activities. Collect the latest information on various laws and regulations in each overseas country where we operate.	p27
	[Domestic and Overseas] Number of countries with website presence	9	10	countries	○	Launched new corporate website in Australia and South Korea	Launch new corporate website in Brazil.	p26
	[Domestic and Overseas] Number of times CSR report published	1	1	times	○	Published CSR Report 2013 (print and web editions).	Publish CSR Report 2014 (print and web editions).	p3
	[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.	p40
	[Domestic and Overseas] Implementation rate for promoting environment to use the Unicharm Way through expansion of global intranet system (English)	100	100	%	○	Established environment at the company's new subsidiary in Brazil where the Unicharm Way can be accessed in English.	Establish environment where new overseas subsidiaries can access the Unicharm Way in English.	p40
	[Domestic and Overseas] Distribution rate of the Unicharm Way pamphlet to employees	100	100	%	○	Distributed paper-edition of the Unicharm Way to newly hired employees and mid-career hires.	Distribute paper-edition of the Unicharm Way to newly hired employees and mid-career hires.	
	[Overseas] Number of times Quality Policy Briefing Session held for suppliers	1	1	times	○	Held the 2nd Quality Policy Briefing Session in China involving 126 representatives from 46 companies. A presentation was made on Unicharm's approach to compliance and governance as well and a request was made to continue carrying out fair business transactions.	Hold the 11th Quality Policy Briefing Session in Japan (once every 3 years) Hold the 3rd Quality Policy Briefing Session in China.	p38
	[Domestic and Overseas] Number of training sessions for purchasing members	1	1	times	○	Compliance and governance training was provided to 51 purchasing managers and persons in charge at the Global Purchasing Meeting (October).	Hold compliance and governance training for purchasing managers and persons in charge at the Global Purchasing Meeting.	p40
	[Domestic and Overseas] Intellectual property 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, new marketing department employees, and newly hired employees (100%).	Hold study sessions on intellectual property laws and product labeling laws for the marketing departments, development departments, employees being dispatched overseas, newly hired employees, and managers from domestic and overseas subsidiaries where study sessions have yet to be held.	p41
	[Domestic and Overseas / Group companies] Legal affairs training implementation rate	100	100	%	○	Continued to hold legal affairs training in marketing departments, development departments, research departments, for employees being dispatched overseas, newly hired employees, and directors, corporate auditors and executive officers. Started to hold legal affairs training using e-learning for managers.	Continue to hold legal affairs training for directors, corporate auditors, executive officers, marketing departments, development departments, research departments, employees being dispatched overseas and newly hired employees. Start to conduct legal affairs training for employees at overseas local subsidiaries by working with persons in charge of respective local legal department.	p40
	[Domestic] Insider trading prevention rules training implementation rate (those targeted)	100	100	%	○	Held study sessions about the meaning of insider trading and internal procedures based on insider trading prevention rules for all directors, corporate auditors and executive officers upon granting of stock options. Provided e-learning training to 390 management level employees and handed out guidelines to all other employees. Completed enhanced-monitoring system that computerizes employee trading of Unicharm stock.	Continue to hold training on insider trading for all directors, corporate auditors, executive officers, managers and employees and hold it for all employees using e-learning. Continue monitoring and computerizing employee trading of Unicharm stock.	p40-41
	[Domestic / Group companies] Affiliate management rules training implementation (affiliates)	100	100	%	○	Ensured proper reporting to the headquarters in accordance with affiliate management rules by utilizing TV conferences with overseas subsidiaries and legal audits. Monitoring was also performed.	Continue to monitor and ensure proper reporting to the headquarters in accordance with affiliate management rules by utilizing TV conferences with overseas subsidiaries and legal audits.	
	[Overseas] Implementation rate of legal affairs audit plan	100	100	%	○	Conducted legal audit at subsidiaries in China, India, Australia, Taiwan, Saudi Arabia, and Vietnam, and proposed solutions for remedying problems found and taking legal steps to prevent inherent risks facing each subsidiary	Continue to conduct legal audits primarily in countries not covered in the previous year in accordance with the annual audit plan. Propose solutions for remedying problems found and take legal steps to prevent inherent risks facing each subsidiary	
	[Domestic and Overseas] Number of serious flaws or deficiencies found in the company-wide management evaluation of internal control that should be disclosed	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 and Overseas] Number of serious flaws or deficiencies found in the management evaluation of operational processes and internal controls that should be disclosed	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.	● Continue to manage customer information on a separate server. ● Continue running system to immediately terminate the ID of lost or stolen information equipment.	p41
	[Domestic and Overseas] Number of incidents where systems failed during a disaster	0	0	cases	○	Completed Internet access environment redundancy Completed development of the domestic network of BCP sites Carried out change-over training in case of a disaster	● Continue to carry out change-over training in case of a disaster ● Continue to improve manuals and operational procedures for disasters ● Visualize safety of employees, damages and system failures using smartphones.	

Related Item	Items Where Unicharm is Making Efforts		Ideal Vision (Goal)	Major Activity Plan for FY2013
Unicharm Group's 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	Foster relationship of trust by recognizing stakeholder needs through stakeholder engagement and continually reflecting these needs in corporate activities.	Promote activities that encourage communication with various stakeholders
		Shareholders	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)
	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		Contribute to improved health and hygiene standards for people and a sound and dynamic society by constructing relationships of trust through activities that address the needs of communities and society as a whole.	Promote measures across the entire Unicharm Group (Japan: pink ribbon activities, child raising support project, provision of paper diapers to Shikokuchuo City, and factory tours for employee family members) (China/Taiwan: 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.	Carry out disaster relief activities (donations of Humany urine-suction robots by combining Super Cool Biz and Warm biz employee dress codes with disaster support provided via the Matching Fund, and the holding of nursing care seminars, etc.)

	Main Indicators for Achieving Ideal Vision (Goal)	Indicators and Results			Self-assessment	Results of FY2013 Activities	Major Activities Plan for FY2014	Location Mentioned in CSR Report
		Target*	Results	Unit				
	[Domestic] CSR Committee meeting implementation rate	100	100	%	○	Held CSR Committee meetings according to the annual plan.	Hold CSR Committee meetings according to the annual plan.	p6
	[Domestic] Number of CSR news published on the corporate website	10	12	times	○	Disseminated information on the Unicharm Group's CSR activities in a timely manner.	Continue to disseminate information on the Unicharm Group's CSR activities.	p7
	[Domestic] Financial presentation implementation rate (Japan)	100	100	%	○	Senior management presented performance results to investors at financial presentations (in Japan).	Hold financial presentation briefings (in Japan).	p39
	[Overseas] IR tour implementation rate	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] Implementation rate of meetings with individual investors	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.	p40
	[Domestic] Employment rate of persons with disabilities	2	1.8	%	×	Promoted workplaces where employees with disabilities can contribute their skills and expertise, and making workplaces barrier-free. Proactively continued to promote employment of persons with disabilities.	Promote barrier-free workplaces where employees with a disability can leverage their skills and demonstrate talents. Continue to actively hire persons with disabilities.	p34
	[Domestic] Rehirement rate after mandatory retirement	60	79	%	○	Interviews held between future retirees and their supervisors on their 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 with the most appropriate choice and seat. Promoted the rehirement of employees after mandatory retirement.	Continue to hold training sessions for employees with 58 years of age, mutually confirm employees expectations and roles after rehirement through interviews and promote rehirement after mandatory retirement using continuous follow up.	
	[Domestic] Number of times employee satisfaction survey conducted	2	2	times	○	Increased frequency of employee satisfaction survey to twice annually. Confirmed employees' current situation and satisfaction with work and reflected this in various management initiatives.	Continue to implement the employee satisfaction survey, which was increased to twice annually last year, and reflect results in management initiatives policies.	p33-35
	[Domestic] Turnover rate due to pregnancy or childcare	8	0	%	○	Posted 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 and promote childcare leave by male employees.	
	[Domestic] No-overtime day implementation rate	100	100	%	○	Implemented once per month according to annual plan. Employees were notified by audio announcements in the office, signed posted notes by division general manager and email.	Continue to hold once per month according to annual plan.	
	[Domestic] Health & Safety Committee meeting implementation rate	100	100	%	○	Held once per month according to the annual plan. Held health management guidance led by industrial physicians and worked to reduce employee working hours.	Hold once per month according to the annual plan.	p35
	[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. Also, continue to provide post-exam care and recommendations for employees requiring second screening.	
	[Domestic] Mental health care and adult onset disease improvement training implementation rate (for those applicable)	100	100	%	○	Held mental health training for employees based on their job title as well as created illness guidelines for individuals and departments to provide information from diagnosis to after return to work. Held a group and e-learning training program on remedying adult onset diseases and quitting smoking.	Continue to hold training on mental health care and adult onset disease. Foster an awareness of health management through the monthly provision of health information.	
	[Domestic] Theme-based and rank-based training program implementation rate (for those applicable)	100	100	%	○	In addition to special training for new employees and various training programs based on job title, role and age, providing annual, monthly and weekly training of thought and action abilities to improve employees' abilities to carry out Unicharm's unique business model during their day-to-day work.	Continue to hold current training programs.	p34
	[Domestic] Number of discussions held with the labor union	12	12	times	○	Held a wide range of discussions on employment issues, work hours, benefits, health management measures, and rules deliberations, etc.	Continue to hold discussions once per month and establish schedule for making revisions to policies.	p35
	[Domestic and Overseas] Implementation rate of company-wide activities	100	100	%	○	Promoted measures across the entire Unicharm Group (● Japan: pink ribbon activities, "child raising support project in 'paper city' & provision of baby paper diapers to Shikokuchuo City", excretion care lectures etc. ● China: pink ribbon activities ● India: providing learning opportunities about first menstrual period. ● Taiwan: pink ribbon activities and donations provided to social welfare group, etc.)	Continue to implement activities promoted on a company-wide level.	p36-37
	[Domestic and Overseas] Implementation rate of relief to disaster-affected areas.	100	100	%	○	Continued to provide a series of support efforts to disaster-affected areas (● Great East Japan Earthquake: organized Matching Fund during Super Cool Biz employee dress code that donated Humany robots. In FY2013, initiative was expanded to the Warm Biz employee dress code to promote company-wide activities throughout the year. Held nursing care seminar).	Continue to provide assistance to those areas affected by the Great East Japan Earthquake.	p18-19

*Qualitative goal is set as 100%.

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

Along with Our Customers

Ideal Vision

Unicharm will contribute to creating a better quality of life for everyone in the world by offering world-first and world-leading products and services 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, our fundamental goal is to improve customer satisfaction by responding to the valuable feedback we receive from our customers in a prompt, fair and sincere manner. In FY2013, the Customer Service Center received approximately 46,000 calls. The feedback we received was in turn shared widely with related departments inside the company and used to help improve our products and services.

In July 2006, Unicharm made a declaration of self-conformity with ISO 10002 international standard Customer Complaints Correspondence Management System, and is extending it to our customer service

centers in China, Thailand, Taiwan, Indonesia and other countries. Following Unicharm China and Taiwan, Unicharm Thailand and Indonesia declared their self-conformity with ISO 10002 in October 2013 and March 2014, respectively, as part of our efforts to improve customer satisfaction across the Unicharm Group.



Customer Service Center

customer satisfaction

89.4%

● Main Initiatives of the Customer Service Center

Main initiatives	Contents
1. Responder training	We organize training programs to enhance our specialist knowledge, including sessions led by external instructors and other informative workshops, in order to improve the quality of our response.
2. Reflection in products	We share customer feedback with related departments in a timely manner through weekly and monthly report. This feedback is used to improve existing products and develop new products, in order to provide customers with products that are safe and convenient.
3. Information dissemination	Customer feedback is shared internally in real-time using our centralized customer information management system, or the SMILE system. Report meetings with business departments and product package confirmation meetings (Communication Guarantee Meeting) are also held to ensure feedback is utilized to improve products from a customer standpoint.
4. Customer Service Center training	The Development and Manufacturing departments organize training sessions for new employees and other employees that wish to participate in order to reinforce understanding of customer inclinations and quality. In FY2013, 796 employees took part in these training sessions.
5. Strengthen collaboration with overseas customer service centers	The initiatives of our customer service centers located around the world are being shared to help improve customer satisfaction across the entire Unicharm Group, including its overseas subsidiaries. This information is also being used to improve our response skills based on ISO10002 complaint response MS and to step up inter-office collaboration.

● Unicharm Complaint Response Policy

- (1) Customer feedback will be centrally managed by the Company's customer service centers and addressed in a fair and impartial manner in accordance with the QMS (ISO9001) complaint response process manual and ISO10002 complaint response process documentation. Information concerning defects in a product or service will be reported to the President & CEO and steps will be taken immediately to remedy the problem.
- (2) In the case customer feedback must be redressed, related departments will work together to immediately rectify the situation and prevent future reoccurrences in accordance with the QMS (ISO9001) redress and preventive measure procedure manual.
- (3) We will strive to reflect the valuable feedback of customers in future products and services. We will take customer feedback seriously and exert our best efforts so that each department works together to ensure that customers are satisfied.

● Examples of customer feedback reflected in our products

A request for sales of sanitary pads for men



We launched a sanitary pad product for men in April 2014 based on consumer requests.

We also received requests for scented version of Silcot Wet tissues as our standard item



We launched a scented version Silcot Wet tissue as a standard item in September 2013 after receiving a number of requests from consumers following the introduction of the product as a promotional item.

Activities of overseas customer service centers

▶ Customer service study session in Australia

The Customer Service Center in Japan and the Global Quality Assurance Division carried out a joint customer service study session with local employees in Australia to deepen their understanding of product development,

taking into account quality, safety and health, cooperative structure and customer services. The Unicharm Group will further build its cooperative structure and strive to continuously satisfy our consumers.



Customer service study session in Australia

Feedback from Overseas Customer Service Centers



Thailand Customer Service Center

Cooperating with the related departments, Thailand Customer Service Center made declaration of self-conformity with ISO 10002 Customer Complaint Correspondence Management System in October 2013. We will be making every effort to provide service with smile to further please consumers so that they will support us as number one supplier.



India Customer Service Center

We established our center in India in May 2013, four years after launching products and appointed a specialized staff. Although it is common practice in Japan, we introduced service initiatives such as shipping replacement products by courier and thoroughly implement customer-as-number-one principle so that we can give support to the well-being of our consumers in India.



Indonesia Customer Service Center

We have improved the quality of customer service based on declaring our self-conformity with the ISO 10002 Customer Complaint Correspondence Management System and would like to contribute to further improving consumer satisfaction. The result has been that we are wholeheartedly working so that our consumers continue to use Unicharm products and send us many messages of thanks.



Australia Customer Service Center

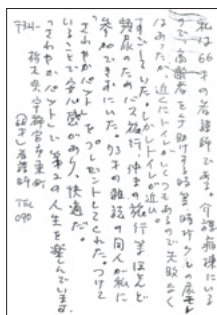
In Australia, we aim to maintain customer satisfaction by understanding the essential nature of our consumers' problems and quickly taking proper action. We always approach the process according to Unicharm standards with honest simplicity and our staff works to deliver consumer voices to other members in our company so that we can continue to improve Unicharm products and services.



Letter of thanks from consumers



"I was impressed with Moony diapers! I am reassured by its soft material and the rubber stretches well so they are easy to put on my child."



"I feel a sense of security and they're comfortable. Sawayaka Pad allows me to enjoy life to the fullest."

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 700,000 members, this social media page disseminates parenting information to customers. In April 2013, we revamped our educational website for first menstruation called "First Body Navi" and added additional content. In addition, we have developed corporate websites for overseas locations aimed at strengthening online communication with customers both in Japan and abroad.



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



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



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



Mild Incontinence Care Navi
<http://www.nyoucare.jp/>



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



Unicharm Human Care
<http://www.humany.jp/>



India site
<http://www.unicharm.co.in/>



Australia site
<http://www.unicharm.com.au/>

Insight research, R&D, and marketing

Three-pronged approach involving insight research, R&D, and marketing

We practice a model of manufacturing that closely reflects customer needs by adhering to the motto "Maintain our No.1 position through continued and dedicated service" ingrained in our DNA. We thoroughly observe the lifestyle and consumption style of consumers and pursue the true needs that exist in their subconscious. We are committed to developing products that exceed customer expectations by leveraging our customer-oriented creativity. In order to promote a more extensive global reach, we are developing products localized to meet the needs of each region and market. While Unicharm products are considered daily necessities, there are some countries where paper diapers are regarded as a luxury or consumers are not accustomed to using paper diapers throughout the day. Taking each country's customs and needs into consideration, we are creating unprecedented new value in our products that balances function with cost, making these products more accessible to all.

We aim to continue developing products that suit the local needs of each region by combining the forces of insight research, research and development, and marketing.



Monitoring survey

Cooperation between R & D and Engineering

Using an organizational structure consisting of research, development, and engineering (R&D&E), Unicharm promotes research and development in an interdepartmental approach that encompasses five departments. These departments engage in various types of basic research on an ongoing basis while the new technologies and materials they develop continuously provide improvements for existing products and create completely new ones as well. In addition, we have set up research centers in key geographic areas, creating an infrastructure capable of developing products that truly meet local needs.



Product testing

Quality Management

Unicharm's view of quality assurance and framework

To promote quality management at Unicharm, we have aligned our quality policy with our Medium-Term Management Plan and undertake internal and external audits to confirm the conformity and effectiveness of our systems. We continually strive to improve these by putting in place corrective and preventative measures. All of our business offices in Japan and overseas have acquired ISO 9001. Based on this standard, we have implemented a quality management system (QMS) throughout our supply chain. It is our intention to push ahead with initiatives for uniform quality improvements in the management of our business and operations globally.

Product Safety Efforts

In consideration of the characteristic of our products and how they are used, Unicharm carries out Human Repeated Insult Patch Tests and a variety of alternative testing methods to confirm the safety of its products. We also have a mechanism in place at the product development stage in which our Safety Assessment Committee operates as a gate check, conducting risk assessments that take into account misuse or chemical toxicity of novel materials and structures.

Global Safety Activities

We have had a safety-check framework in place in each country since April 2007, which is being implemented by our local subsidiaries primarily in China, Korea, Taiwan, Thailand and Indonesia. In addition, we visit our suppliers, testing partners and governments in each country to step up communication in order to deliver safe and reliable products to our customers through a joint effort.

Initiatives at Unicharm Products

As an initiative for quality assurance, Unicharm Products is implementing improvements based on information from consumers relevant to defective products or poor services, and for factory-wide improvements using UTMSS.* This system is used for goals such as visual control and standardization and for continual improvement in productivity and quality so that we can continue to provide consumers with products of consistent and high quality. We are also disseminating our framework to overseas subsidiaries and assisting with the

implementation of best practices by way of sister plant system between factories in Japan and those overseas.

*UTMSS: Unicharm Total Management Strategic System



UTMSS Initiative in India
Oral presentations at a self-study seminar



Tianjin Factory employees undergo training in Japan

Promoting appropriate product labeling

In an effort to provide accurate information to our customers, we verify that our product labels and advertisements comply with relevant regulations as well as voluntary industry standards and that they are easy to understand to avoid misunderstandings and misuse. We also set up a Communication Guarantee Meeting which effectively functions to verify and evaluate the scientific basis for product labeling during the product design stage as well as to collaborate across the Group to achieve the most adequate and precise labeling possible.



Communication Guarantee Meeting

Along with Our Customers

Along with the Environment

Along with Our Employees

Along with the Society

Along with Our Business Partners

Along with Shareholders and Investors

Management

Along with the Environment

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.

Promotion framework for environmental activities

Our attitude toward the environment

Most of Unicharm's products are consumables essential to a clean and healthy lifestyle, which closely relates to the environment through our use of resources and emission of waste. As we have expanded our operations globally centered on Asia in order to provide better products to consumers around the world, our role and responsibility for reducing our environmental impact has also increased with each passing year.

All employees of Unicharm are committed to environmental activities following the Basic Environmental Policy and the Environmental Action Guidelines developed based on our corporate philosophical framework (Unicharm Ideals, "Beliefs and Pledges" and Corporate Principles of Action). We carefully monitor the impact our business activities have on the environment, and we are promoting initiatives to reduce our environmental impacts and improve our economic efficiency aimed at achieving a sustainable society.

Basic Environmental Policy

As a company that engages in the manufacture and sale of disposable products, we recognize the extent of our responsibility to the environment. Through our corporate activities we strive to create environmentally friendly products so that we may in the future pass on a beautiful earth to future generations. We are committed to providing goods and services that bring comfort, excitement, and joy to people throughout the world and we are determined to realize the sustainable development of a society that achieves a balance between environmental conservation and economic growth.

Environmental Action Guidelines

- Abide by all laws and regulations
- Make sound choices for the environment
- Eliminate waste
- Learn more about environmental issues
- Enhance productivity
- Share efforts for helping to improve the environment
- Reduce the use of natural resources

Promotion framework for environmental activities

The Unicharm Group's environmental activities are considered to be an important part of its quality assurance program as we deal largely with disposable products. The Group's environmental activities are implemented primarily by the Global Quality Assurance Department

under the responsibility of the CQO* led by the CSR Committee chaired by the Group's President.

At the same time, each Group company seeks further improvement by way of PDCA cycle through gate control and KPI management as a part of its day-to-day business processes while aiming to integrate ISO14001 with ISO9001.

*CQO: Chief Quality Officer

● Environmental Management Structure



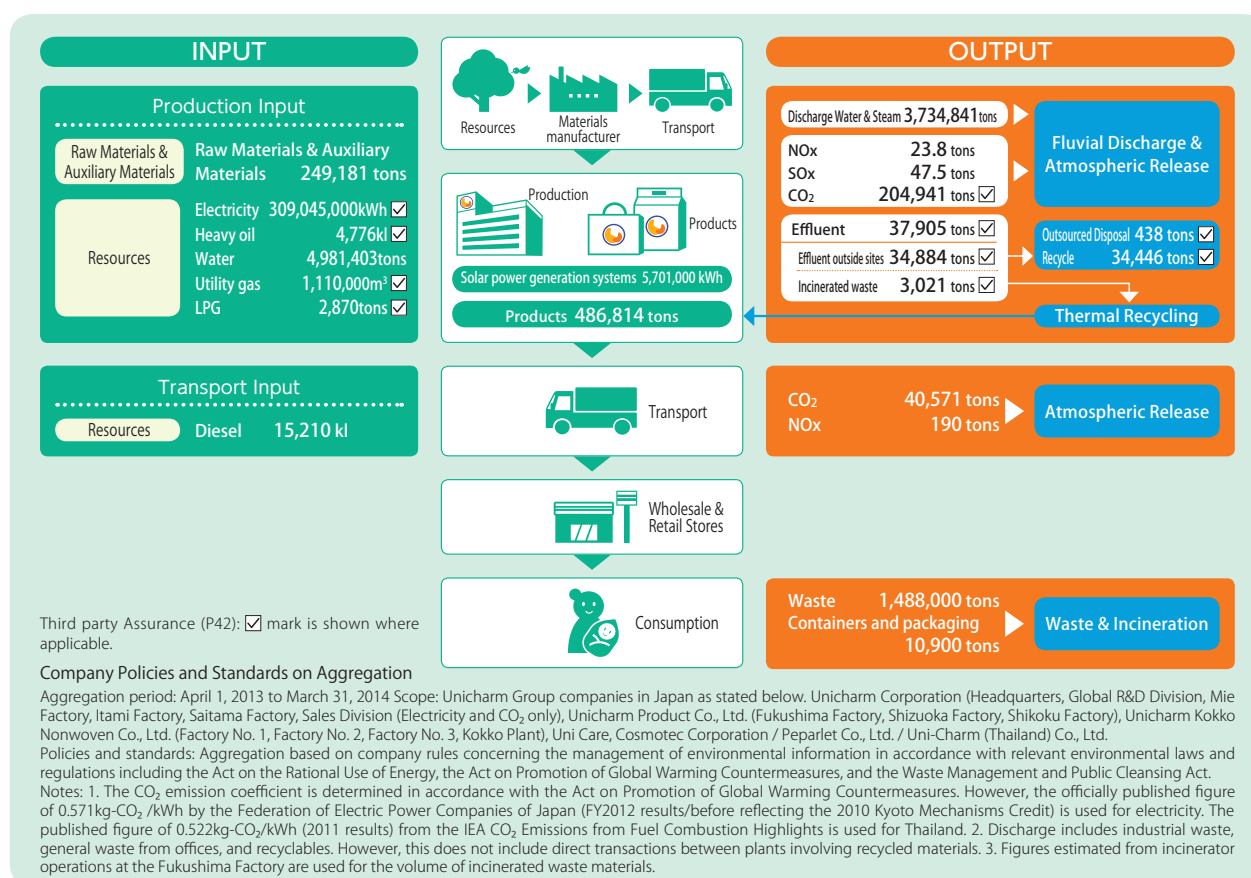
Environmental impact and environmental goals

Monitoring the environmental impact of products during the entire lifecycle

As a manufacturer of consumer products, Unicharm uses resources in various aspects of its business activities. As a

responsible manufacturer that utilizes resources, we engage in efforts to improve the environment at every stage of the supply chain through all of our business activities, from the procurement of materials to manufacturing, transport, and disposal of products after use.

● Environmental impact from a lifecycle perspective



Environmental Activity Themes and Goals

Regrettably we were unable to achieve our waste reduction goal for FY2013 because of an increase in production volume and net sales. The major factors behind this were a significant increase in production to

meet last minute demand prior to Japan's consumption tax hike as well as an increase in waste from adjustments when relocating and setting up new facilities. We were able to achieve our goals for all other themes. Going forward, we will continue to carry out corporate activities that are considerate of the environment.

● FY2013 results and FY2014 goals

Theme of the Activity	Indicator	Base Year	FY2013 Goal	FY2013 Result	Assessment	FY2014 Goal	FY2016 Goal
Reducing CO ₂ emissions	Energy use (GJ) / base unit per net sales (millions of yen)	—	10.7	10.7	○	10.6	10.5
Reducing waste	Total emissions at the 3 main factories	2000	-13%	-9%	×	-13%	-14%
Recycling resources	Recycling ratio at the 3 main facilities	—	Over 99%	Over 99%	○	Over 99%	Over 99%
Development of environmentally friendly products	Ratio of environmentally friendly products	—	65%	65%	○	67%	75%

[Assessment] ○: Achieved target △: Rate of achievement: 70% - under 100% ×: Rate of achievement: Less than 70%

Environmental initiatives through our products

Unicharm has set a target ratio for environmentally friendly products as part of its environmental goals in promoting the development of environmentally friendly products. Products are evaluated for whether environmental impacts are successfully reduced within the life cycle from the baseline figures of FY2005. In FY2013, we achieved a ratio of 65% environmentally friendly products, compared to our goal of 65%. We have set a goal of 67% for FY2014 to further expand our environmentally friendly product line. Starting in FY2013 we began regularly confirming the eco-friendliness of products under development during each stage of the product development process.

Since the inception of our proprietary environmental label, the "Eco Charming mark" in 2008, a total of 23 items have come to bear this label.

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 an environmental standard established in our Eco Label Guidelines.



Products that use the Eco Charming mark



*Factor: One type of environmental indicator that quantifies the environmental burden and value (function, etc.) of a product and compares data for new and old products for assessment purposes.

65% ratio of environmentally friendly products

Impact on child-rearing

Unicharm has successfully maintained the absorbency of disposable diapers while drastically reducing its pulp use using its proprietary technologies. The thickness of our disposable diaper products has been reduced by approximately 60% in comparison to products from 20 years ago. We performed a trial calculation on the environmental impacts resulting from the use of disposable diapers for the entire duration of child-rearing (roughly three years) and determined the amount of waste equals approximately 200 kg and the amount of CO₂ emissions equals approximately 930 kg. In comparison to our products from 20 years ago, the waste amount has been reduced by about 75 kg, while CO₂ emissions have been reduced by about 580 kg.



Cats Contributing to the Formation of a Recycling-Oriented Society

The reuse and recycling of resources is an important issue facing Japan because the country has very few natural resources. However, there are still materials that are difficult to recycle or have reduced quality when recycled, such as items recycled more than once or items with shapes that are difficult to recycle. Certain paper materials that are difficult to recycle are being used as paper sand in cat litter boxes.

Paper products that were once difficult to recycle, such as used tickets, stamps, wall paper cuts, and crushed paper pieces from the paper diaper manufacturing process, are now being utilized as a raw material for paper sand in cat litter boxes. In addition, since paper is used as the raw material, this paper sand is much lighter and easier to carry compared to the previous type of materials that used mineral ores. In turn, this has enhanced the product value of cat litter boxes, achieving a product that is eco-friendly in two aspects.

Paper sand for cat litter boxes fulfills the criteria for an Eco Charming product because of its excellent recyclability and contributions to the formation of a recycling-oriented society, since it can be made even from pulp that is typically difficult to recycle.

● Products Created from Recycled Materials

Materials (collect)

Tickets, stamps, wall paper and cut paper, etc.



Ticket



Crushed pulp



Proprietary hardening and coloring technologies Peparlet



Initiatives to reduce environmental impacts through our business activities

Unicharm's Management of Chemical Substances

Unicharm has established measures to control its use of chemical substances that are harmful to people or ecosystems. To ensure consumers can use our products that directly contact their skin with peace of mind, we carry out inspections in accordance with our Basic Rules on Quality Control in all processes, from product development to equipment development, materials purchasing, manufacturing, and marketing.

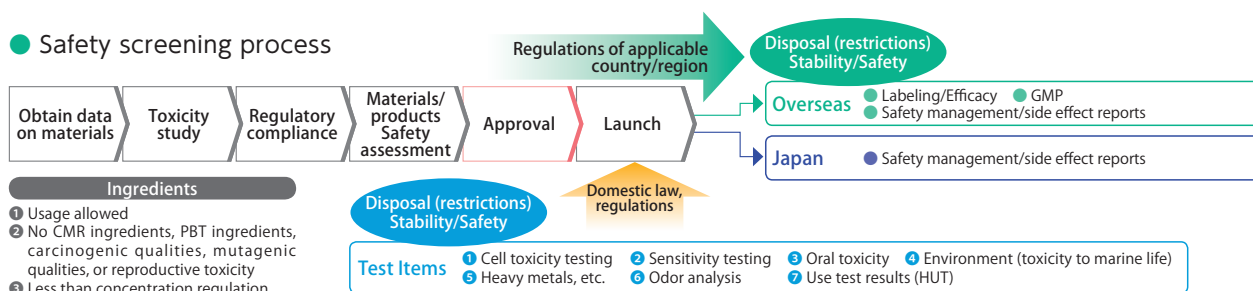
We have established guidelines for preventing the use of chemical substances that are harmful to people or ecosystems in the materials procurement stage and a dedicated department investigates the chemicals we use in terms of hazards and legal compliance. Our

Safety Assessment Committee serves as a gate, carrying out various risk assessments based on use and disposal methods.

In conjunction with our recent global expansion centered on Asia, we are now carefully monitoring chemical substances for the impacts they have on people as well as ecosystems, based on their use not only in Japan but internationally as well. In 2013, we widened our definition of harmful substances and began revising our global chemical substance list to make it clearer and more transparent.

Moving forward, we will share our efforts and these changes not only within the Unicharm Group but among suppliers as well in order to ensure rules and regulations are followed closely.

● Safety screening process



Thailand Commended for Waste Reduction Measures

Uni-Charm (Thailand) Co., Ltd., our subsidiary in Thailand, received the 3Rs Award and the Zero Landfill Waste Achievement Award from Thailand's Ministry of Industry for the company's environmental conservation activities. The company's 10 years of continual efforts to use resources more effectively and reduce waste during the manufacturing process as part of its ISO14001 implementation were also recognized.

The 3Rs Award commended the company's efforts to improve productivity and reduce product loss, while the Zero Landfill Waste Achievement Award was received after the company completed the elimination of all wastes bound for landfills at its plant by means of thorough waste separation and sorting.



China Participating in the Shanghai Emissions Trading System to Help Prevent Global Warming

A trial emissions trading system was launched in Shanghai under China's environmental protection plan aimed at realizing a low-carbon society. Uni-Charm Consumer Products (China) Co., Ltd. (UCCP), our local subsidiary in China, participated in the trial carbon trading scheme along with 191 other companies as a member of society working toward the goal of a low-carbon society.

UCCP, as a participating company of the trial emissions trading exchange, actively rolled out related efforts in response to the government's call for unification. Specifically, the company proactively took part in training on reducing CO₂ emissions, submitted company reports

in a timely manner, cooperated with carbon emission inspections carried out by the government and is further enhancing its activity level.

UCCP has appointed a dedicated department and person in charge of its efforts, and installed the latest energy saving technologies together with reducing its use of energy through daily improvements in productivity. It also stepped up its efforts for managing energy usage, which helped it identify issues and promote more effective energy saving activities. Through these efforts, UCCP is more committed than ever before about contributing to a low-carbon society.



Along with Our Customers

Along with the Environment

Along with Our Employees

Along with the Society

Along with Our Business Partners

Along with Shareholders and Investors

Management

Along with Our Employees

Ideal Vision

At Unicharm we recognize that a company's growth and development depend on the growth and development of the individuals who make up the organization. Therefore, we view the training and development of our human resources as among the most important tasks of management. We will not be satisfied with the status quo and will never cease challenging ourselves to excel beyond the current situation.

View concerning human resources and respect for human rights

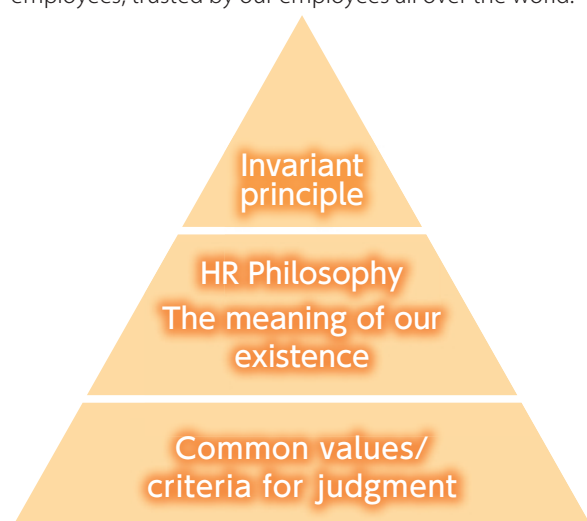
Human Resource Philosophy

At Unicharm we value the autonomy of each and every individual, based on Unicharm's "Beliefs and Pledges" and Corporate Principles of Action. We endeavor to provide fair opportunities for our employees to find fulfillment in their work and to create a corporate culture that fosters the development of confidence and pride.

● Unicharm HR Philosophy Chart

"Human beings" as the foundation of our company values

In order to support our "company management to serve the common good" into the future, we will continue to be a group of experts who create and disseminate dynamic staffing systems that actualize and motivate our employees, trusted by our employees all over the world.



● Human resources data

(1: Group data, 2: Japan domestic data, (11)–(13) applies to employees registered with Unicharm or Unicharm Products, other items apply to employees registered at Unicharm)

Index		Fiscal Year	Unit	2011	2012	2013
Employment	(1) Number of employees(consolidated)		Persons	10,287	10,855	12,795
	(2) Number of employees(Japan)		Persons	3,027	3,009	2,994
	(3) Average age of employees		Age	40.3	40.6	40.7
	(4) Employee turnover rate (Excluding retirement at the mandatory age, promotion to board member, and transfer within the group)		%	1.9	1.5	1.7
Diversity, Equal Opportunity and Occupational Safety and Health	(5) Percentage of female employees		%	21.7	22.1	16.7
	(6) Percentage of female management staff		%	2.6	2.4	4.9
	(7) Employment rate of persons with disabilities (annual average)		%	1.8	1.7	1.8
	(8) Rehiring rate of retired employees		%	65	79	79
	(9) Health check-up rate		%	100	100	100
	(10) Employee turnover rate for pregnancy or childcare		%	0.1	0	0
	(11) Use of childcare leave system	Total number of men and women	Persons	46	57	55
	(12) Use of family-care leave system	Total number of men and women	Persons	4	0	3
	(13) Use of shortened work hours system for childcare	Total number of men and women	Persons	49	45	46
	(14) Use of flextime system for personal lifestyle support	Total number of men and women	Persons	31	50	58

*1 As of March 31 of each year *2 11–13 applies to permanent employees, contract employees and other items to permanent employees. *3 (4) Employee turnover rate = Number of terminated employees (except for retirement at mandatory retirement age, promotion to board members, or transfer within the group) / Number of employees at the end of each fiscal year (March 31) *4 (6) Percentage of female management staff = Number of female management staff / Total number of management staff *5 (8) Rehiring rate of retired employees = Number of rehired employees / Number of retired employees (at mandatory retirement age)

Unicharm Group's Human Resource Philosophy

1. Human perspective

- ◆ We recognize that our employees are autonomous individuals, and we respect individual initiative based on freedom and individual responsibility.
- ◆ We believe that each employee is aware of her/his respective missions and roles, and that we are all independent, active beings who think and act on our own.

2. The organization and the individual

- ◆ We, people with common interests and aspirations, will work together in harmony, and together we will create a vision of the future and share the joy of our growth as a whole.
- ◆ With market principles as one of our fundamental principles, we will pursue the integration of organizational and individual development, and the realization of "the three aspects of wealth."

3. Growth and creation

- ◆ By improving the ways in which we learn from each other and the diverse values we all hold, we will continue to pursue the creation of new values.
- ◆ We will provide our employees with opportunities for growth and will continue to create opportunities for the demonstration of such growth.

Our view of human rights

As the "Unicharm Group Action Guidelines" clearly state, in order to achieve our "Pledge to Associates" we will never discriminate against people based on race, religion, gender, family background, physical disability, or any other factors; that we will not tolerate child labor or forced labor; that we will never engage in acts of sexual harassment or power harassment; and that we will undertake comprehensive safety and health management in the workplace.

SAPS management: Emphasis on respect for people and a sense of accomplishment

The purpose of SAPS management, a system that has been in operation at Unicharm since 2004, is to foster employees' overall happiness through the recognition that employees' time is valuable and that they will feel more satisfied if their time and efforts are focused on high-priority (high value-added) issues. To achieve this goal, we put together a company-wide group to work on and implement the 6 essentials of SAPS management. With SAPS management, we aim to respect the autonomy of individuals with diverse values and to foster that same sense of respect among all employees so that they will share in the joy of the growth of the organization as a whole. Through SAPS management, we proceed toward the realization of "the three aspects of wealth": "aspiration," "economy," and "mind and body."

● 6 essentials of SAPS Management

1. Respect for people
2. Emphasis on a sense of accomplishment
3. Emphasis on time competitiveness
(Time-based management)
4. Knowledge management
5. Emphasis on curiosity and entrepreneurship
6. Mentality change

Global expansion of management with resonance – The President's Award

Unicharm established the "President's Award," which may be awarded to any employee, including overseas group employees, to recognize any individual or team that has achieved outstanding results through promoting SAPS management, based on our philosophy of management with resonance. In a presentation that is broadcast to about 60 bases worldwide through our video-conference

Employee survey

We conducted "employee surveys" twice a year at all group companies in Japan and overseas, in order to verify employees' satisfaction/fulfillment and sense of accomplishment. This sequential surveying enables us to implement various measures in management and human resources, and also encourages employees and organizational operations to be more proactive.

● Employee satisfaction index (all full-time employees)

"Work satisfaction" and "Satisfaction about working for Unicharm" progresses at to high levels



system, honorees share their successful result for the year with more than 1,500 employees watching the live report. The "President's Award" is more than an employee awards program, and works systemically to promote leadership development through providing opportunities to simulate good practices and encourage presenters and participants to learn from each other.

The President's Award 2013, Winner of "Gold Prize for Teams"

China



Sofy Pocket-Magic Team, Feminine Care Products Division
Unicharm Consumer Products (China) Co., Ltd.

Winning the Gold Prize was the result of cooperation among all team members. Going forward, we'd like to continue to deliver happiness to as many consumers as possible through our products.

Lv Shengling (Second from the right)

Indonesia



Jobodetabek Team, Sales Division
PT Uni-Charm Indonesia

I promised my team members that I would bring home the Gold Prize, and I'm happy to be able to keep that promise. We won't be satisfied with status quo but will try to win the prize again next year.

Sri Haryani (first row on the far right)



Personnel utilization and training

Expansion of education and training programs

We have in place a skills-enhancing program to enhance employee abilities to think and take action, consisting of understanding our SAPS management model and practical skills improvement.

● Our distinctive training programs

Title	Eligible people	Summary
Training for new employees	For eligible people	(1) Transitioning from student life to working life (rewiring) (2) Deepening employees' understanding of the "3 DNAs" of Unicharm (3) First-hand experience and understanding of the three aspects of actual work sites (manufacture, purchase and use) to and recognizing and persisting in developing a "consumer-oriented mindset." (4) Understanding the SAPS management model (5) Experiencing the importance of working as an organization (team selling), and understanding Unicharm's persistent emphasis on "target oriented" and "target achievement" approaches (6) Creating your own "10-year career vision and plan"
Training at all levels, ages and roles	For eligible people	Training is carried out for people in keeping with their respective levels, ages and roles. All training is based on understanding our SAPS management model and improving practical skills, providing opportunities and places to enhance the ability to think and take action.
SAPS Trainer's CAMP	For eligible people	An upskilling program for "leaders/educators" in order to realize and spread our unique business model, the "SAPS management model."
Unicharm Spirits Masters	For eligible people	A workshop program for veteran employees in their early fifties to develop action plans by utilizing their accumulated insights and skills in order to demonstrate their powers of execution and foster younger employees.
Unicharm Spirits Masters Advance	For eligible people	For employees who are on the verge of becoming senior expert employees, this program substantiates goals for future activities as torchbearers of the Unicharm Spirits.
Overseas Business Trip Accompanying Program	By invitation	By accompanying senior members on overseas business trips, participants have the opportunity to observe and learn about the thoughts and actions of senior management members.
Ten-year career vision and plan	For all employees	Provides employees with the tools and a system for designing and developing individualized 10-year career plans, and for completing their own action plans. The tools can also be used for communication with management, in order to support each employee in achieving her/his own goals.
Workplace Exchange Workshop	Participation by lottery	A cooperative training program established by several companies for the purpose of allowing participants to enhance their own skills and improve their own issues & weaknesses. Interaction with participants from other companies is expected to provide all participants with inspiration and insights that may not be available within a single workplace.
Training program for employees posted overseas	For eligible people	This training program helps employees prepare for their post-overseas transfer and develop their mindset so they can rapidly assume their duties in the new environment and achieve results.

Respect for Diversity

Various Support Systems

We are committed to always improving our work environment so that each and every employee can work to the best of their abilities.

● Various Support Systems to respect diversity

System	Eligible people	Summary
Birth Support Leave Program	Employees who undergoing fertility treatment	Leave for advanced fertility treatment (up to 1 year)
Shortened work hours system for childcare	For employees who have a child/children up to the third year of elementary school	Working hours can be shortened to 5 hours a day
Nursing-care leave	For employees who have family member(s) in need of continuous nursing care for more than 2 weeks as a result of injury, sicknesses, or physical or mental disorders.	By application, up to 5 days leave/year is available for one family member, up to 10 days leave/year for 2 or more family members who require nursing-care.
Career Recovery System	Former Unicharm employees who worked for more than 3 years and resigned from employment for various reasons such as marriage, pregnancy, childbirth, childrearing, nursing-care, or accompanying spouses on business transfers.	They are eligible for re-employment within a five-year period (from time of resignation), provided that both the former employee and the company reach a certain agreement.
Civic duties leave	Employees who are selected as citizen-judges	The required number of days leave to appear in court as a citizen-judge is available by application.
Bone marrow donors leave	Employees who wish to donate their bone marrow	Up to 7 business days leave per 1 donation of bone marrow available by application, for the procedures required for donation to a patient in the working country (except for donor registration).

Employment of people with physical disabilities

We aim to provide a workplace where employees with disabilities are able to fully exercise their abilities. We have implemented measures such as placing handicapped parking in locations on company grounds that facilitate smooth movement into the workplace and making facilities barrier-free. More than anything else, we expect

proper outcomes from employees with disabilities and promote a corporate cultural environment free of barriers in all respects.

Initiatives for balancing work and childcare

Aiming to create an environment that supports both childcare and work, our childcare leave program allows

employees to take up to two years of childcare leave. On the day that childcare leave begins and the employee has reserve leave remaining, they can receive up to 15 days of leave, receiving salary as they would if they took regular paid leave, and we have established an environment in which almost all female employees who have given birth can take advantage of this system. Going forward, we will aim at enhancing initiatives for encouraging male employees whose spouses have given birth to take childcare leave by providing them with the necessary information, developing the cultural environment, etc.

Hiring of pregnant women

We will newly implement the Fresh-Mom Recruitment program for hiring new female graduates from FY2015. Women who have expressed an interest in working for Unicharm but are hesitant to accept because they are pregnant or unsure can take part in the Fresh-Mom Recruitment program to delay joining the company up until the age of 30.

Unicharm Family Plant Visit Days

Unicharm holds Family Visit Days at all of our plants both in Japan and overseas, to welcome the families of employees for a tour of the plant. We received comments from participants, such as "I was impressed by how quickly production of the various products was completed," as well as from employees, such as "I was happy to show my family my working site."



Indonesia Factory



Fukushima Factory



Shikoku Factory



Shizuoka Factory

Charming Voice (Suggestion System)

The Charming Voice suggestion system is a mechanism that allows any employee to have their voice heard by management at any time. Since its start in FY2011, Charming Voice has been one way for us to realize "management with resonance" by utilizing the wisdom, enthusiasm and hopes of front-line people. It serves as an opportunity to promote communication with top management through suggestions to improve quality, service, efficiency and cost-trimming, and leads to the development of self-reliant employees.

Dialogue between labor and management

We place a great deal of value on mutual trust between labor and management, and hold regular monthly

discussions between the company and labor union. In FY2013, we consulted on working conditions for sales people, benefit programs, health management measures and the like, and continued with efforts to create an easy place to work.

Industrial health and safety

Company-wide safety conventions

We hold company-wide safety conventions as part of our efforts to ensure employee safety. The 11th convention was held in 2013 at the Central Plant, Shikoku factory, Unicharm Products Co., Ltd. Mr. Ishikawa, president of Unicharm Products Co., Ltd., presented the company's wish for the safety of all employees is embodied in the "Sazareishi monument" to all the factories.



The 11th company-wide safety convention, Unicharm Products, Co., Ltd.

Health and Safety Committee

Unicharm's "Health and Safety Committee" consists of industrial doctors and elected commissioners from the company and the labor union. The Committee implements various activities once a month, including activities related to improving the working environment and preventing work related accidents. We also promote no-overtime days and reduced working hours as ways to realize a well-modulated way of working.

Promoting employee health

To ensure a high level of productivity both physically and mentally, we proactively carried out health checkups for employees, and 100% of employees had such a health checkup in FY2013. Unicharm also covers the costs of gynecological checkups and breast cancer and cervical cancer screenings. For employees who are at risk of developing metabolic syndrome, we held seminars for improving lifestyles. Participants created a six-month action plan and worked to achieve the goals set out in the plan. We also held a tobacco seminar for smokers to consider their relationship with tobacco, and we have company-wide no-smoking days.

We also introduced an employee support program by which our employees and their families can consult with external counselors about their worries and troubles, in order to facilitate their realization of fulfilling and healthy lives without worries.



A seminar of the lifestyle modification program

Along with the Society

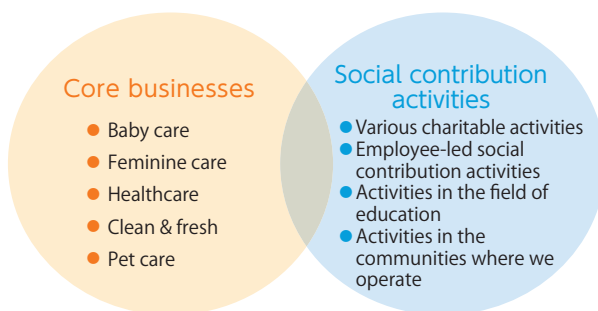
Ideal Vision

We build trusting relationships with communities and society, contributing to the realization of a sound and vital society by improving health and sanitation standards through our business activities serving community needs.

Our attitude toward social contributions

Unicharm believes that its business activities have a highly positive impact on society. We feel a strong sense of pride and joy in providing comfort, emotion and pleasure to people not only in Japan, but also in Asia and other parts of the world. Through our involvement in a variety of social contribution activities directly related to our business, we are working to become a company that makes contributions to the countries in which we operate and one that is welcomed and trusted by people in these locales.

● Unicharm's stance toward social contributions



Making contributions to society through our core business

Ongoing participation in Pink Ribbon Campaign activities both in Japan and abroad

The Pink Ribbon Campaign is a worldwide effort for the early detection, diagnosis, and treatment of breast cancer and Unicharm contributes to campaign activities in China, Taiwan and Japan.

In Taiwan, United Charm Co., Ltd. continues to participate in an annual Pink Ribbon Walk in Taipei every year. One participant commented that "This event has helped me exercise regularly, and I think it will help protect me against cancer."

In Japan, Pink Ribbon activities are now in their sixth year. A Unicharm employee participating in the Pink Ribbon Smile Walk in October 2013 felt the importance of participating when approached by a pedestrian. "The person asked what I was doing, and it felt good to be able to explain about the Pink Ribbon Campaign." Unicharm raised funds for the campaign through the Pink Ribbon Whispering Fund, which raised money for a related charitable organization when consumers clicked on a link for the Sofy feminine care product website.

● Pink Ribbon activities in Asia

Japan



Pink Ribbon Smile Walk Tokyo



Sofy Pink Ribbon Whispering Fund

Taiwan



Pink Ribbon Walk

Community-based social contribution activities (Japan)

Disaster agreement signed with Fukushima Prefecture following Shizuoka

Unicharm Product Co., Ltd. signed an Agreement on Procuring the Necessary Goods for Disaster Relief with Fukushima Prefecture in March 2014 to smoothly supply needed goods upon the prefecture's request; the company will provide disposable diapers, adult diapers, sanitary napkins, wet tissues and masks as needed. After the experience of the Great East Japan Earthquake in 2011, we believe the establishment of such a system with prefectural governments will lead to the quick delivery of supplies in the event of a large-scale disaster.



Working to transport relief goods after the Great East Japan Earthquake (2011)

Nursing care course held in Tanagura, Fukushima

In December 2013, continence-support researchers from Unicharm's Continence Support Research Institute served as instructors for a nursing care seminar held by the Health and Welfare Section of the Tanagura Town municipal government. The 24 participants were given an introduction to such care, including how to select the proper type of adult diapers and how to put them on. Participants noted that "This information will be useful in the future when I need to provide nursing care," and "It was difficult when I had to nurse someone before, but the information today will be useful."



Sponsored Childcare Festa 2013 in Shikokuchuo City

Unicharm Products and Unicharm Kokko Nonwoven participated in a child raising festival held by the city of Shikokuchuo in 2013. In keeping with the festival's slogan, "The Best Place to Raise a Child in Shikoku," this event provides an opportunity for parents and children to interact with one another and to promote a good childcare environment. Two companies operated a miniature steam locomotive and distributed pamphlets about the Pink Ribbon Campaign and breast cancer awareness.



Community-based social contribution activities (overseas)

Indonesia Visit to a foster home

Unicharm employees have been visiting orphanages and welfare facilities for the disabled in Indonesia on the Saturday closest to July 1 (the date of our founding) since 2004. Every year we visit two facilities, where employees present their monetary donations and donations of Unicharm products as well as food, clothing and daily essentials that can be used by the facility. Employees are always greeted by the residents. These visits are helping us to deepen our relationship with local communities in Indonesia.



Taiwan Provided donations to and held volunteer activities at orphanages

In December 2013, the Honghua Children's Orphanage held a special "hand-holding" event prior to Christmas to encourage interaction with the children and give a tour of the facility. In addition to a dinner party, donations of used clothing, toys, picture books and stationery were also made. To respond to the facility's needs, Unicharm Taiwan also presented NT\$109,000 in charitable donations collected from employees and supplies.



China Supporting the reconstruction effort after the Sichuan Earthquake

Unicharm is proactively involved in the relief and reconstruction efforts following the April 20, 2013 earthquake in China's Shichuan Province. Immediately after the quake, we donated Sofy, MamyPoko and Lifree products and called on employees to make monetary donations. Our efforts were widely covered in the Shanghai's Qingpu District Newspaper.

In addition, donations collected from employees were presented during a visit to the Shanghai Charitable Foundation (SCF) on June 3, 2013.



China Ongoing continence-support presentation for students

In May 2013 and March 2014, Senior Researcher Funatsu from the Unicharm Continence Support Research Institute served as an instructor for students studying nursing care at Shaanxi Labor College, Shaanxi Province, following up on his previous visit a year before. Students learned how to choose and use adult diapers; received practical training on how to provide support for the mechanics of getting to and going to the bathroom; and learned about the functions of diapers and how to change them while the person is in bed. A student commented that they learned the importance of reducing the burden of both caregivers and user and that cost savings could be realized, adding that since such pads are not yet common in China, "I would like to promote the spread of their use through education."



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 and dissemination 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 call for the cooperation of existing partners in environmental and ethical areas.

Promoting CSR procurement

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, such as "the abolition of child labor," "the elimination of discrimination," and "the promotion of measures against global warming," as stated in the Global Compact.

Beginning with China in 2009, followed by Thailand, Indonesia, Taiwan, and Korea, we held briefing sessions for our suppliers in order to ensure cooperation with our CSR procurement guidelines. We promote CSR throughout our entire supply chain by having each supplier complete a self-check sheet in order to verify their procurement status.

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 place importance on respect for 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 August 2013, we held our second quality policy explanatory meeting in China, attended by 126 people from 46 suppliers. At this second meeting, we explained our compliance policy, the need for strengthened governance, and our thinking about materials quality and product quality based on these policies. We also expressed our thanks to suppliers for their major contributions in helping us achieve our quality targets for the year covering the second half of 2012 through the first half of 2013 in preventing complaints about

quality related to product liability. We also asked them to continue cooperating with quality improvement efforts.



Quality Policy Briefing Session in China

Along with Shareholders and Investors

Ideal Vision

We continue to grow and develop to maintain our shareholders' trust and to ensure the distribution of industry-leading returns to shareholders.
We practice transparency in our management and strive to ensure that our management is considered to be trustworthy.

Our basic policy on profit returns to our shareholders

The "Beliefs and Pledges" and Corporate Principles of Action outlined in our Unicharm Group's Action Guidelines constitute our pledge to our shareholders which we share with all group employees. Our Corporate Principles of Action clearly state that "We will strive to manage the company in a way that will maintain a level of growth corresponding to our shareholders' confidence, and that will enable us to distribute industry-leading returns to shareholders. Based on our Corporate Principles of Action, we ensure stable and continuous return on investment, as well as improvement of our business performance.

Our basic guidelines for return on investment are to implement stable and continuous returns while also investing in our own mid- and long-term business expansion. We distributed 38 yen per share in the fiscal year ending in March 2014 and have achieved dividend increase for 12 consecutive fiscal years.

We will continuously view shareholder return as an important management agenda and will strive to realize the distribution of industry-leading returns with continuous improvement of our business performance.

Information disclosure for our investors

We opened investor relations pages on our websites to post timely information including brief notes on the settlement of accounts and financial statements. At the same time, we post English translations of important information on our English site to disclose information for overseas investors.

We also position result briefings and overseas IR tours as important venues for dialogue among company executives and our investors, and strive to improve the disclosure of information in order to help investors to better understand our business activities. Takahisa Takahara, the president of the company, visited the corporate investors in Europe and the U.S. on this year's overseas IR tour, where he made an appeal for our future growth by directly referencing the security of our stable profits in domestic business in Japan and detailing Unicharm's mid-to long-term global growth potential. We have been working on improving communication by holding regular individual meetings for the active exchange of opinions with each corporate investor and securities analyst, as well as by holding tours of Unicharm Kyoshinkan or Resonance Hall, our building commemorating Unicharm's 50th anniversary in February 2011, and the Shikoku Technical Center.



Information for investors on our website



Results briefing



Overseas IR tours

Listed in the SRI Index

Unicharm is included in the major international SRI (Socially Responsible Investment) indexes "FTSE4GOOD Index Series" and "Morningstar Socially Responsible Investment Index (MSSRI)".



FTSE4Good

FTSE4GOOD Index Series



Morningstar Socially Responsible Investment Index (MS-SRI)

Along with Our Customers

Along with the Environment

Along with Our Employees

Along with the Society

Along with Our Business Partners

Along with Shareholders and Investors

Management

Ideal
Vision

Corporate Governance

Establishment of an Internal Control System

Going forward, we will continue to make improvements to our internal control system.

Compliance

We see compliance as the promotion of sound corporate ethics and our corporate philosophy, in addition to conforming to established legislation. We strive to promote the "Unicharm Group Action Guidelines," which express the high level of preparedness and morality expected of every employee at the Unicharm Group, as well as ensure legal and fair management.

In Japan, employees can consult on compliance issues by phoning our “RingRing Employee Hotline.” In fiscal 2013, there were 13 consultations. We also operate similar hotlines in China and Thailand. In addition to RinRin Dial, an internal whistleblowing hotline has been operating since April 2014 to promote compliance management.

Risk management

Thorough information security

To ensure thoroughness in information security, Unicharm has set out its information security principles and procedures, such as the Information Security Policy and the Information Management Security Rules. We also have Personal Information Protection Rules in place to safeguard personal information provided by our customers, and we strictly manage this information and take precautions to prevent information leaks. To ensure that these rules are strictly observed and to prevent information leaks, Unicharm has established a group-wide Information Security Committee, and carries out employee education and ongoing monitoring, as well as implementing monthly information management day.

Protecting intellectual property

The intellectual property of the Unicharm Group is centrally managed by the Legal & Intellectual Property Division, which formulates and executes intellectual property strategies linked to business and development strategies at Unicharm. Based on our patent application strategy, we have been protecting and using business and development results as intellectual property. Strengthening our international patent applications as part of our global expansion has brought us to 94th place for international patent applications and into the Top 100 for three consecutive years according to WIPO. We are also working to strengthen our intellectual property portfolio-building activities for our overseas business with patents, utility models, designs and trademarks. Unicharm has also applied for and used the trademark that protects Group brands in more than 160 countries around the world. At the same time, we are also actively protecting our rights to proprietary packaging. The operational and R&D Divisions cooperate closely with overseas subsidiaries concerning the control of counterfeit products both inside and outside the country, and take a firm stand in protecting the company's products and rights.

Unicharm is committed to cultivating a corporate culture that promotes the respect and protection of intellectual property rights of Unicharm and other companies, as articulated in the Unicharm Action Guidelines, by conducting employee training through a combination of on-the-job training, off-the-job training, and e-learning to ensure that employees in Japan and overseas are fully versant in the handling of intellectual property rights at Unicharm.

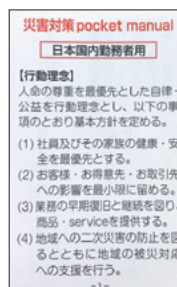
Business Continuity Plan (BCP*)

Unicharm has been enhancing its risk control since fiscal 2005. The BCP Manual describes steps to ensure the safety of our employees and their families, deliver Unicharm products that represent necessities for daily living to people in disaster-affected areas as well as those who require them at the fastest rate possible, and recover important corporate functions of Unicharm. In fiscal 2013, we conducted an e-learning session for all employees to raise awareness and promote proactive measures. For quick confirmation during an emergency, all employees carry a disaster response pocket manual; we also held emergency drills at each location, held basic lifesaving courses and provide training according to functional divisions as part of ongoing education and training. Furthermore, we have established an infrastructure in which all employees carry a smart phone so we can confirm their safety and continue business functions in the event of an emergency. In March 2014, we held BCP training entitled the "3/11 Comprehensive Company-Wide Drill" for a major earthquake directly underneath Tokyo or a possible large-scale interpolate earthquake involving the Tokai, Tonankai and Nankai plates. First-response drills with an emphasis on confirming employee safety and the functioning of disaster response headquarters were carried out, including checking the safety of all Unicharm employees in Japan in order to further improve our disaster response measures.

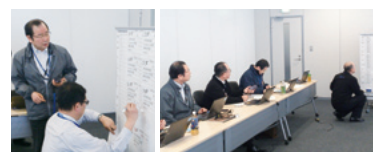
In addition, for emergencies that represent a crisis situation, we make use of crisis communication based on disclosure of information in order to minimize damage. By carrying out drills with the related divisions using an expected crisis theme of "quality", we have begun checking the validity of our crisis management manual.

Additionally, we will strengthen our global risk management for riots, terrorism, and other emergency situations so we can respond properly without being caught by the "unforeseen."

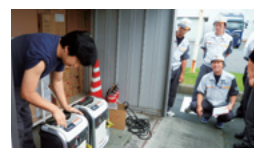
BCP: Plan for the continued execution and recovery of core business activities soon after an emergency



Disaster planning
Portable manual



3/11 Comprehensive Company-Wide Drill



At the Shizuoka Factory drill

Along with Our
Customers

Along with the
Environment

Along with Our
Employees

Along with the
Society

Along with Our
Business Partners

Along with
Shareholders and
Investors

Management



This English language report is a translation of the original Independent Practitioner's Limited Assurance Report in Japanese on Unicharm Group's CSR Report 2014 and is for reader's convenience.

Independent Practitioner's Limited Assurance Report on Unicharm Group's CSR Report

June 3, 2014

**To: Mr. Takahisa Takahara, President and CEO
Unicharm Corporation**

PricewaterhouseCoopers Sustainability Co., Ltd.

Sumitomo Fudosan Shiodome Hamarikyu Bldg.
8-21-1 Ginza, Chuo-ku, Tokyo 104-0061, Japan

We have undertaken limited assurance engagement of the information marked (☑) (hereafter the "Selected Information") in the Unicharm Group's CSR Report for the year ended March 31, 2014 p.27 Environmental Impact from a Lifecycle perspective (hereafter the "Report").

Our assurance does not extend to information in respect of earlier periods, unless otherwise indicated in the report.

Management's responsibilities

Unicharm Corporation (hereafter the "Company") is responsible for the preparation of the Selected Information in accordance with the Company's policies and standards (hereafter "Reporting Criteria"). The Company's responsibility includes the design, implementation and maintenance of internal control, relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error.

- Establishing objective Reporting Criteria for preparing the Selected Information
- Measuring and reporting the Selected Information based on the Reporting Criteria

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

In accordance with the International Standard on Quality Control, we maintain a comprehensive system of quality control including documented policies and procedures with respect to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Selected Information should be read and understood together with the Reporting Criteria¹. The absence of a significant body of established practice on which to base the evaluation and measurement of non-financial information allows for different, but acceptable, measurement techniques. The nature of non-financial information, and the techniques and precision used to determine and evaluate it, can result in materially different measurements. This may affect comparability between different entities and periods of time. The Reporting Criteria used is applicable as at March 31, 2014.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Selected Information based on the procedures we have performed and the evidence we have obtained. Depending on the type of information, we conducted our limited assurance engagement in accordance with:

- International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410") for CO₂ emission (not including those from logistics) information.
- International Standard on Assurance Engagements 3000, Assurance Engagements other than Audits and Reviews of Historical Financial Information ("ISAE 3000" revised December 2003) for other information which means that electricity consumption, heavy oil consumption, gas consumption, and waste production (not including after use of products) in the Selected Information.

These standards require that we plan and perform this engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

Considering the risk of material misstatement of the Selected Information, we performed the procedures included:

- inquiry with relevant Company management;
- evaluating the suitability of the Reporting Criteria as the basis for preparing the Selected Information;
- assessing the risk of material misstatement in the Selected Information due to fraud or error;
- responding to the assessed risks as necessary in the circumstances, and;
- evaluating the overall presentation of the Selected Information;
- evaluating the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information. This included visiting the following manufacturing sites and corporate offices selected on the basis of their inherent risk and materiality to the group, to understand the key processes and controls for reporting site performance data and to obtain supporting information;

Unicharm Corporation Headquarters
Unicharm Products Co., Ltd. Shizuoka Factory
Uni-Charm (Thailand) Co., Ltd.
Peparlet Co., Ltd. Main Office and Factories

- performing limited substantive testing on a selective basis of the Selected Information at the corporate offices and in relation to four manufacturing sites to check that data had been appropriately measured, recorded, collated and reported.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Selected Information has been prepared, in all material respects, in accordance with the Reporting Criteria.

This report, including our conclusions, has been prepared solely for the Company in accordance with the agreement between us, to assist the Company in reporting the Company's sustainability performance and activities. We permit this report to be disclosed online in respect of the 2013 reporting year, to enable the Company to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report except where terms are expressly agreed between us in writing.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information in this report for the year ended March 31, 2014 is not prepared, in all material respects, in accordance with the Reporting Criteria.

¹ The maintenance and integrity of Company's website is the responsibility of Company management. Our engagement did not consider matters relating to the maintenance and integrity of Company website. Accordingly, we accept no responsibility for any errors or changes to Selected Information or Reporting Criteria when presented on the website.

List of Contents

Chapter Title	Topic	Web version	Print version	Page
Overview of the Unicharm Group	Company Profile / Primary Consolidated Subsidiaries and Affiliates	●	●	P2
	Production and Sales Areas	●	●	
	Main Business Indicators	●	●	
Editorial Policy	Editorial Policy	●	●	P3
	Contents	●	●	
Message from the President	Message from the President	●	●	P4-5
Unicharm Group's CSR	Integrating CSR with Our Businesses	●	●	P6-7
	CSR Promotional Structure	●	●	
	Reference Framework for Unicharm's CSR Strategy	●	●	
	Relationship with Stakeholders	●	●	
Introduction of Business Activities	Unicharm's five business divisions deliver gentleness	●	●	P8-9
Feature Topic	Making Life Better for People Living in Asia by Reducing the Burdens of Daily Life	●	●	P10-13
	Responding to a Super-Aging Society	●	●	P14-17
Continue to provide support to the disaster-affected areas from the Great East Japan Earthquake		●	●	P18-19
Unicharm Group's Primary CSR Themes and Major Indicators (KPI)		●	●	P20-23
Along with Our Customers	Initiatives of the Customer Service Center	●	●	P24
	Activities of overseas customer service centers	●	●	P25
	Communication with customers using various media	●	●	P26
	Three-pronged approach involving insight research, R & D, and marketing	●	●	P26
	Cooperation between R & D and Engineering	●	●	P26
	Unicharm's view of quality assurance and framework	●	●	P27
	Product safety Efforts	●	●	P27
	Global Safety Activities	●	●	P27
	Initiatives at Unicharm Products	●	●	P27
	Promoting appropriate product labeling	●	●	P27

Chapter Title	Topic	Web version	Print version	Page
Along with the Environment	Promotion framework for environmental activities	●	●	P28
	Environmental impact and environmental goals	●	●	P29
	Environmental initiatives through our products	●	●	P30
	Initiative to reduce environmental impacts through our business activities	●	●	P31
	Initiatives for biodiversity	●		
	Environmental Accounting	●		
	Activity results for FY2013	●		
Along with Our Employees	Site data	●		
	View concerning human resources and respect for human rights	●	●	P32-35
	Personnel utilization and training	●	●	
	Respect for Diversity	●	●	
	Industrial health and safety	●	●	
	Human resources data	●	●	
Along with the Society	Our attitude toward social contributions	●	●	P36-37
	Making contributions to society through our core business	●	●	
	Community-based social contribution activities (Japan)	●	●	
	Community-based social contribution activities (Overseas)	●	●	
Along with Our Business Partners	Approach to materials procurement	●	●	P38
	Promoting CSR procurement	●	●	
	Quality Policy Briefing Session	●	●	
Along with Shareholders and Investors	Our basic policy on profit returns to our shareholders	●	●	P39
	Information disclosure for our investors	●	●	
	Listed in the SRI Index	●	●	
Management	Corporate Governance	●	●	P40-41
	Compliance	●	●	
	Risk management	●	●	
Third Party Assurance Report		●	●	P42
List of Contents / List of Awards and Commendations Received in Fiscal 2013		●	●	P43
2014 CSR report questionnaire		●		
2013 questionnaire results		●		

List of Awards and Commendations Received in Fiscal 2013

Month and year	Name and description	Recipient
June 2013	2nd Japan HR Challenge Awards: Winner of Excellence Award, Human Resource Development Category	Unicharm Corporation
July 2013	Nikkei Business Publications, Inc. 14th Environmental Brand Survey 2013: 150th	Unicharm Corporation
October 2013	2013 Good Design Awards: Winner of the Good Design Best 100 Award Disposable baby diapers "Moony Air Fit" and "Moony Man Air Fit"	Unicharm Corporation
October 2013	Thailand's Ministry of Industry: Winner of the 3Rs Award (Reduce, Reuse & Recycle) and the Zero Landfill Waste Achievement Award	Uni-Charm (Thailand) Co., Ltd.
November 2013	Tanagura Town, Fukushima Prefecture: Recognized as Honorary Benefactor of Tanagura Town	Unicharm Products Co., Ltd. Fukushima Plant
November 2013	Nihon Keizai Shimbun's 2013 NICES Corporate Ranking: 13th	Unicharm Corporation
December 2013	CM DATABANK: Selected as Brand of the Year 2013 (winner of award for contribution to earnings with TV commercials for Sofy)	Unicharm Corporation
December 2013	NPO Japan Mothers' Society: Winner of the 5th Mothers' Selection Award in the Best Baby Care Product Category for "Moony Flushable Baby Wipes"	Unicharm Corporation
January 2014	Nihon Keizai Shimbun's 17th Environmental Management Survey: 124th	Unicharm Corporation
February 2014	Interbrand's Japan's Best Global Brands 2014: 22nd	Unicharm Corporation
March 2014	Toyo Keizai's CSR Corporate Rankings 2014: 69th	Unicharm Corporation
March 2014	Rakuten's Employer Rankings for the Class of 2015: 12th overall	Unicharm Corporation
March 2014	14th Japan Drug Store Show: Winner of the Japan Association of Chain Drug Stores Chairman's Award – New Product Collection 2014 for its "Ultra 3-D Shaped Mask Super" for pollen.	Unicharm Corporation



Unicharm Corporation

<http://www.unicharm.co.jp/>

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