

Unicharm to acquire a 95.0% stake in Vietnamese company Diana JSC

Unicharm Corporation (Takahisa Takahara, President & CEO; hereinafter, “Unicharm”) announces that it, through its subsidiary Uni-Charm (Thailand) Co., Ltd, has signed definitive agreements to acquire 95.0% of total outstanding common shares of Diana Joint Stock Company (Do Anh Tu, CEO; hereinafter, “Diana”), a leading Vietnamese hygiene product manufacturer and distributor.

1. Background and Objectives

Vietnam, with the 3rd largest population among the ASEAN countries of approx. 85.8 million and with 7% annual growth of GDP (average of the last 5 years), is expected to continue to achieve economic growth as well as consumer spending. Diana is one of the leaders in hygiene product manufacturing and distribution in Vietnam, with a strong portfolio of brands as well as a solid distribution network across the country, including distribution to traditional general trades. Its core brands – “Diana” of feminine care products and “Bobby” of baby diapers – both hold the 2nd largest market share in Vietnam and are highly recognized. Unicharm decided to acquire Diana with the aim of realizing synergies through product enhancement, product line-up reinforcement and implementation of a lean production system.

The combination of Unicharm and Diana’s strengths, such as (i) Diana’s deep knowledge about the domestic market, as well as Vietnamese consumers’ specific demand and behavior, (ii) Diana’s diverse experience in marketing activities in Vietnam, and (iii) Unicharm’s product development capabilities as well as its technology and the leading Japanese brand name, will greatly benefit the Vietnamese people, and will assure Diana to continue to success, boost its growth, and bring it to a new height.

Unicharm group has an objective to achieve a dominant position in Asia as outlined in the Global 20 Plan, and has been developing its absorbent material product business such as feminine care and baby care in each region of the ASEAN markets. Through the combination of Diana’s expertise in marketing and distribution and Unicharm’s capabilities in product development and manufacturing, Unicharm aims to accelerate its business in Vietnam, where the hygiene product markets will grow rapidly in parallel with economic and population growth. The acquisition also represents Unicharm’s continued commitment in Asia.

2. Overview of Stock Purchase Agreement

Subsidiary of Unicharm, Uni-Charm (Thailand) Co., Ltd to acquire 34,200,000 common shares (95.0% of total common shares (or “total outstanding shares”)) of Diana.

3. Overview of Joint Venture Agreement

Under the agreement, Unicharm and Diana’s founder family will build a collaborative partnership and operate the company towards Diana’s further development.

4. Corporate profiles of Unicharm and Diana

Name	Unicharm Corporation
Address	182 Shimobun Kinsei-cho, Shikokuchuo-City, Ehime, Japan
Representatives	Takahisa Takahara
Business Description	Manufacturing and sales of baby and child care products, feminine care products, health care products, cosmetic products, household products, pet care products, industrial materials and food-packaging materials, etc.
Paid-in Capital	JPY 15,992 MM (as of the end of March, 2011)
Foundation	1961
Fiscal year end	March
Net assets	JPY 219,632 MM (as of the end of March, 2011)
Total assets	JPY 444,015 MM (as of the end of March, 2011)
Revenue	JPY 376,947 MM (as of the end of March, 2011)
Number of Employees	7,317 (as of the end of March, 2011)
Ownership	Unitec Corporation : 19.9%, Takahara Kosan K.K. : 5.5%, etc.

Name	Diana Joint Stock Company
Address	Vinh Tuy Industrial Zone, Linh Nam Street, Hanoi, Vietnam
Representatives	Do Minh Phu (Chairman), Do Anh Tu (CEO)
Business Description	Manufacturing and Distribution of feminine hygiene products, baby diapers, adult diapers, tissue, etc.
Charter Capital	VND 360 Bn (as of the end of December, 2010)
Foundation	1997
Fiscal year end	December
Net assets	VND 380 Bn (as of the end of December, 2010)
Total assets	VND 1,425 Bn (as of the end of December, 2010)
Revenue	VND 1,020 Bn (Fiscal year ending at December, 2010)
Number of Employees	1,890 (as of the end of December, 2010)
Ownership (Post-transaction)	Uni-Charm (Thailand) Co., Ltd : 95.0%, Do Family and else : 5.0%

5. Schedule

Signing of definitive agreements	August 25, 2011
Closing date	November, 2011 (plan)

URL	
Unicharm:	http://www.unicharm.co.jp/company/index.html
Diana:	http://www.diana.com.vn