

TRANSLATION FOR REFERENCE PURPOSES ONLY

This notice has been translated from the original Japanese text of the timely disclosure statement dated September 20, 2016 and is for reference purposes only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.



MEMBERSHIP
September 20, 2016

To whom it may concern

Listed Company Name: **Unicharm Corporation**
Company Representative: Takahisa Takahara,
President and Chief Executive Officer
(Code Number: 8113; First Section, Tokyo Stock Exchange)
Contact Person: Shigeru Asada,
Executive Officer, General Manager of
Accounting Control and Finance
Division
Telephone Number: +81-3-3451-5111

**Notice Concerning the Renunciation of Claims Held Against Subsidiary
and Recognition of Extraordinary Losses**

Unicharm Corporation (the "Company") hereby announces that it has resolved at its Board of Directors meeting held on September 20, 2016 to renounce part of claims held against consolidated subsidiary Unicharm Middle East & North Africa Hygienic Industries Company S.A.E. ("UCMENA") and to recognize extraordinary losses associated with the execution of the aforementioned renunciation of claims in its non-consolidated financial statements of the fiscal year ending December 31, 2016. The details are presented below.

1. Reason for renunciation of claims

Aiming to eliminate the excess of liabilities over assets of UCMENA, which suffered increased liabilities as a result of the rapid and sharp devaluation of the Egyptian Pound, and bring greater stability to the subsidiary's financial position, the Company will renounce its claims against the subsidiary.

2. Overview of UCMENA

- (1) Headquarters: 10th of Ramadan City, Industrial Zone A-6, Area 124-125, Egypt
- (2) Representative: Managing Director Mahdy S. Katbé
- (3) Business activities: Manufacture and sale of personal care related products
- (4) Capital: EGP 350 million
- (5) Shareholder composition: Unicharm Corporation 95%, Mahdy S. Katbé 5%

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(6) Net assets: Negative EGP 151 million (As of June 30, 2016)

(7) Total assets: EGP 1,260 million (As of June 30, 2016)

3. Details of renunciation of claims

(1) Type of claims: Loans receivable

(2) Amount of claims: Approx. USD 78.9 million (Approx. JPY 8,140 million)

(3) Date of effect: September 20, 2016

4. Effect on the Company's financial results

The Company intends to recognize approximately JPY 8,140 million of the above-mentioned renunciation of claims as extraordinary loss in the Company's non-consolidated financial statements of the fiscal year ending December 31, 2016. There will not be an effect on the consolidated financial statements due to the offsetting nature of the accounting.

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