

Fiscal Year Ended
December 31, 2023
(Jan 1, 2023 to Dec 31, 2023)
Unicharm Investor Meeting
Presentation Materials

February 7, 2024

Unicharm Corporation



Fiscal Year Ended December 31, 2023

(January 1, 2023 to December 31, 2023)

Financial Performance Summary

Projections stated in these materials include those based on the Company's currently obtained assumptions, forecasts and plans regarding the future. Therefore, actual results may differ significantly from projections due to risks and uncertainties associated with market competition, foreign exchange rates, etc.

Fiscal Year Ended December 31, 2023
(January 1, 2023 to December 31, 2023)
Financial Results Summary



Consolidated

Sales 941.8 billion JPY (YoY +4.9%)
Core operating income 128 billion JPY (YoY +7.0%)

- All-time high for all of sales, core operating income and profit attributable to owners of parent company.
- Bottom line achieved financial forecast by increasing sales and profit, and improving profitability.

Japan

4.6% sales increase, 12.4% profit increase

- Pet Care Business led the business in Japan greatly with penetration of value-shifting.
- Profitability keeps improving by strengthening value-shifting in Wellness Care excluding face mask and Feminine Care Business.
- Sales and profit increased with the effect of value-shifting and stable profitability was established in Baby Care Business.

Overseas

5.0% sales increase, 1.7% profit increase

- Sales and profit increased in Asia. Strong performance continued and sales and profit increased in India. Strong performance of Feminine Care business continued in South-East Asia. Profit decreased in China and Thailand mainly caused by new business investment such as Pet Care Business.
- Sales and profit increased in other regions. The business expanded in Middle-East. Profitability was established with continued high growth in Brazil. Profitability improved in North America.

**Shareholder
Return**

Yearly dividend 40 yen per share
Increased dividend for 22 consecutive years

- Purchase of own shares: purchased 17 billion yen, 3,080 thousand shares, as planned.

Sales hit a record high for 7 consecutive years

Core operating income and profit attributable to owners of parent company also hit a record high



●Consolidated account highlights (From Jan. to Dec.)

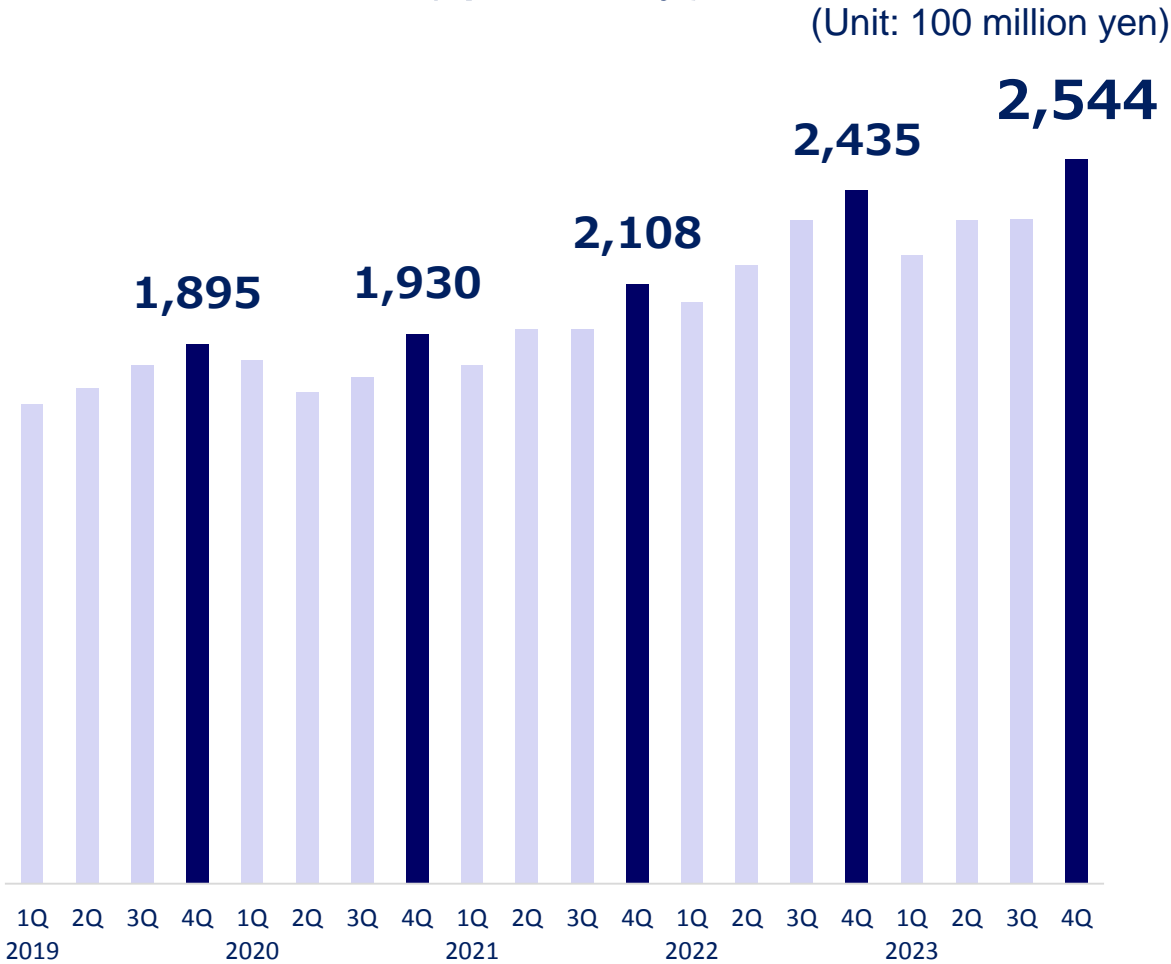
(Unit: 100 million yen)

	FY Ended Dec. 31, 2022	FY Ended Dec. 31, 2023	Gap(yen)	Gap(%)	(Forecast) FY Ended Dec. 31, 2023	Achievement (%)
Net sales	8,980	9,418	+438	+4.9 %	9,635	97.7%
Core operating income (margin-%)	1,196 (13.3%)	1,280 (13.6%)	+84	+7.0% (+0.3P)	1,410 (14.6%)	90.8%
Profit before tax (margin-%)	1,157 (12.9%)	1,323 (14.0%)	+166	+14.3% (+1.1P)	1,375 (14.3%)	96.2%
Profit attributable to owners of parent company (margin-%)	676 (7.5%)	861 (9.1%)	+184	+27.3% (+1.6P)	809 (8.4%)	106.4%
EBITDA (profit before tax + depreciation/ amortization)	1,615	1,791	+176	+10.9%	1,795	99.8%
Base earnings per share (JPY)	113.61	145.42	+31.81	+28.0%	136.71	106.4%
USD Rate (JPY)	131.43	140.56	+9.13	+6.9%	130.00	—
CNY Rate (JPY)	19.48	19.82	+0.34	+1.7%	19.20	—

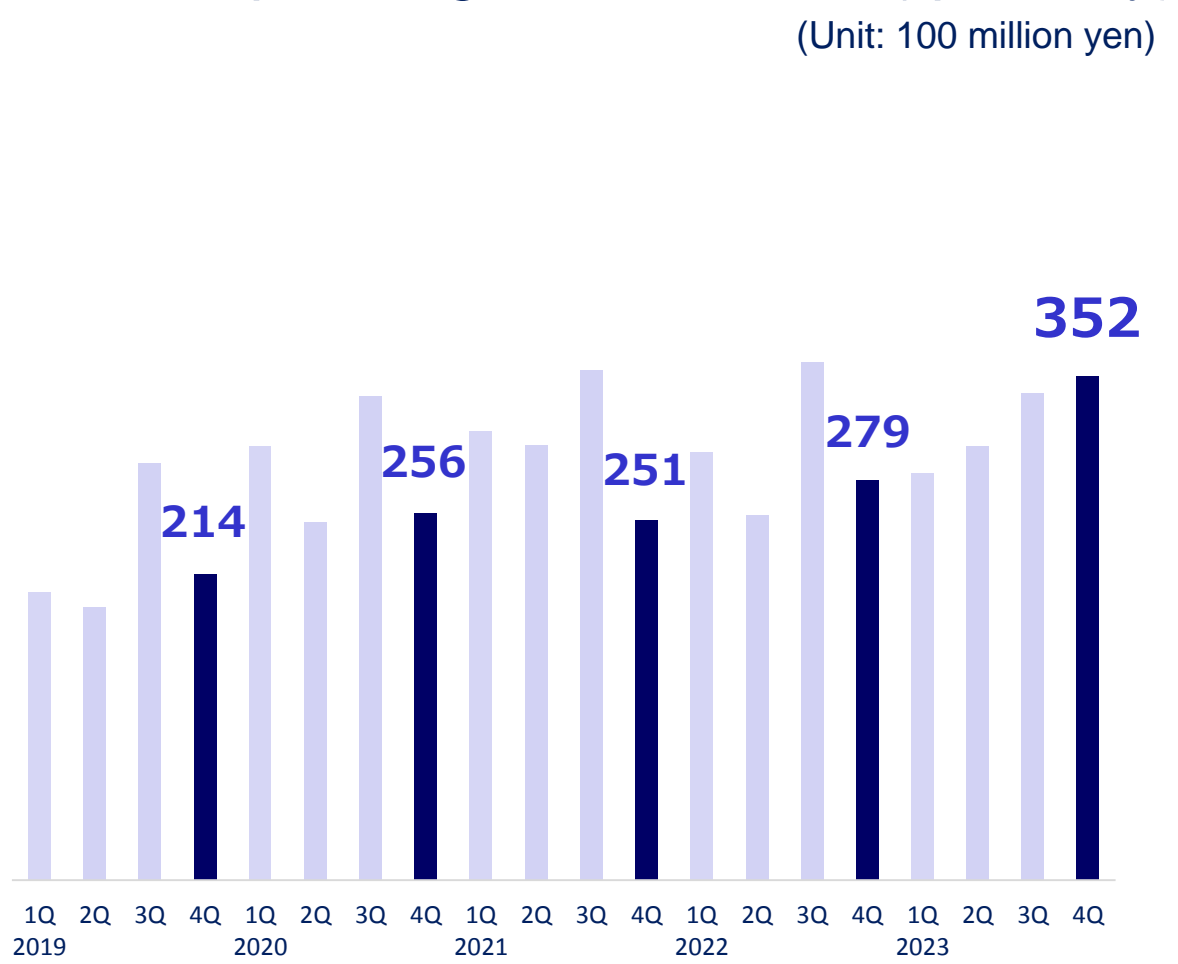
Sales of fourth quarter hit record high with stable sales growth and profitability improvement by continuous value-shifting in the fourth quarter of FY2023



● Sales trend (quarterly)



● Core operating income trend (quarterly)

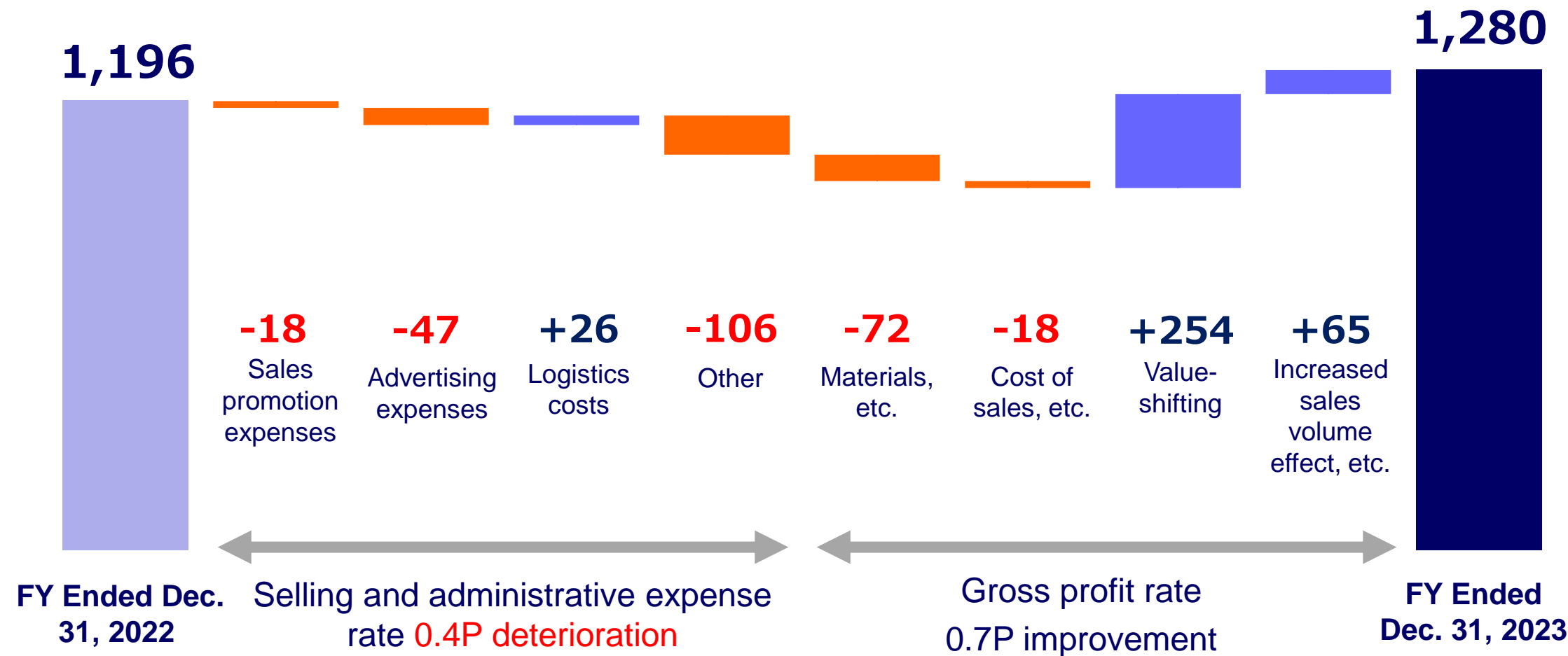


Core operating income increased by 8.4 billion JPY as a result of absorbing cost rises such as raw materials by continuing value-shifting



(Unit: 100 million yen)

● Core operating income fluctuation (from Jan. to Dec.)



Pet Care, Wellness Care and Baby Care Business led sales and profit increase through the penetration of value-shifting in Japan. The performance improved with sales and profit increase in main countries in Asia except for China and Thailand. The business in other regions were driven by improvement in Middle-East, persistent profitability with high growth in Brazil and effect of value-shifting in North America.



● Geographical segment information (from Jan. to Dec.)

(Unit: 100 million yen)

		FY Ended Dec. 31, 2022	FY Ended Dec. 31, 2023	Gap (yen)	Gap(%)	(Ref.) * 1 Actual gap rate
Japan	Net sales	3,076	3,218	+142	+4.6%	—
	Core operating income	578	650	+72	+12.4%	—
	(margin-%)	(18.8%)	(20.2%)		(+1.4P)	
Asia	Net sales	4,283	4,382	+99	+2.3%	-1.4%
	Core operating income	476	435	-41	-8.7%	-12.6%
	(margin-%)	(11.1%)	(9.9%)		(-1.2P)	
Others * 2	Net sales	1,621	1,818	+197	+12.1%	+7.0%
	Core operating income	139	191	+51	+36.9%	+27.7%
	(margin-%)	(8.6%)	(10.5%)		(+1.9P)	
Consolidation	Net sales	8,980	9,418	+438	+4.9%	+2.2%
	Core operating income	1,196	1,280	+84	+7.0%	+4.4%
	(margin-%)	(13.3%)	(13.6%)		(+0.3P)	

【Actual gap rate of sales in main countries】

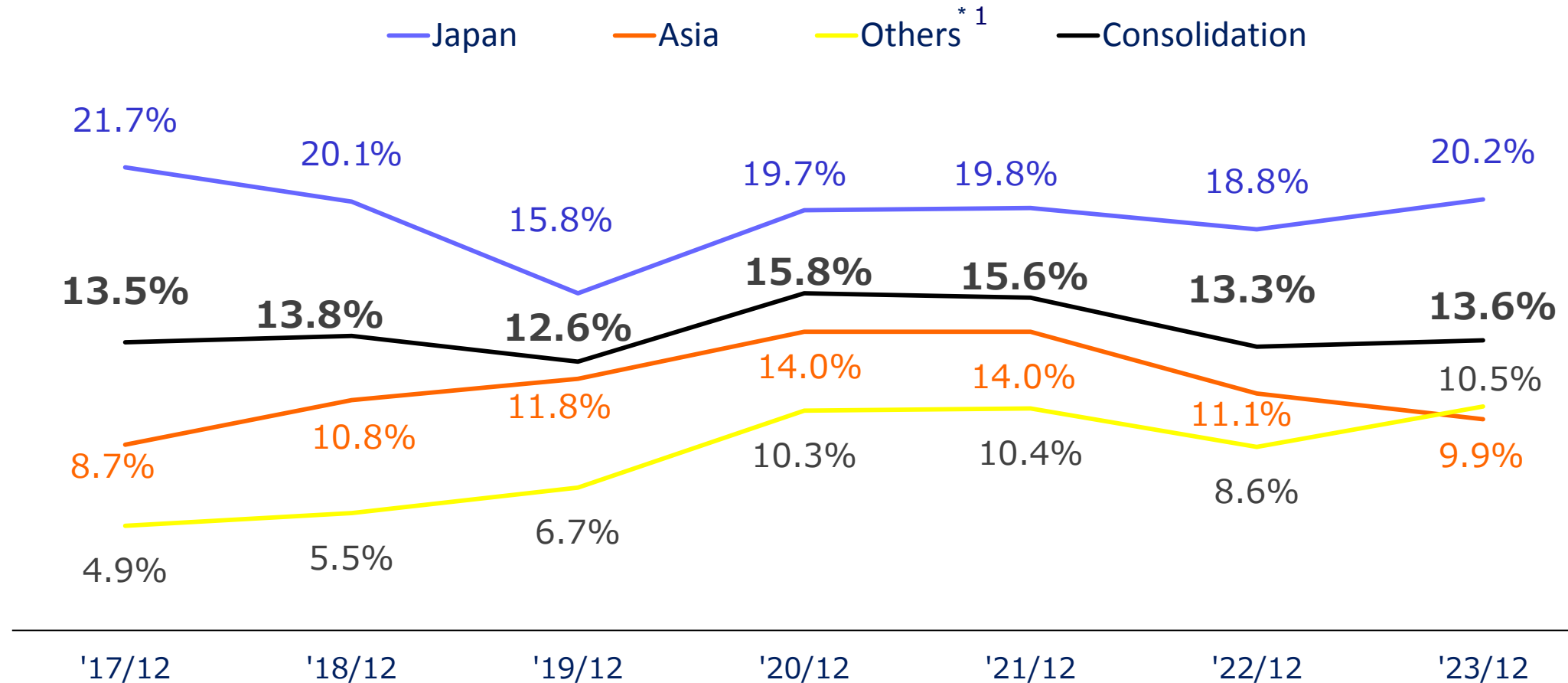
China -9% Indonesia +3% Thailand -7% India +8% Vietnam +4% Middle East +10% North America +0% Brazil +34%

*based on management accounting

*1 : Actual gap rate excluding exchange effects

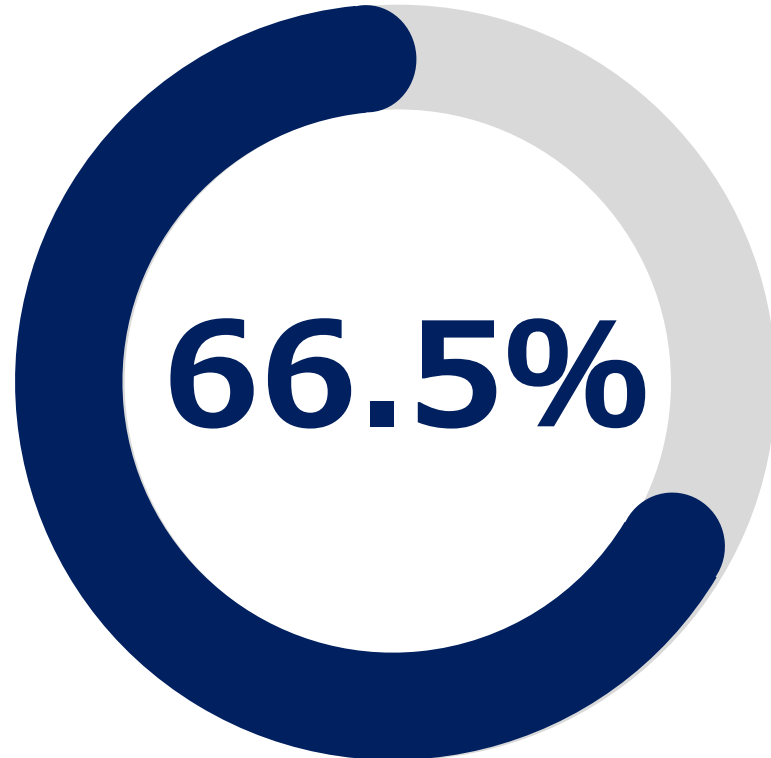
*2 : Others: Main regions are North America, Saudi Arabia, Brazil and the Netherlands

● Core operating income margin by geographical segment (from Jan. to Dec.)

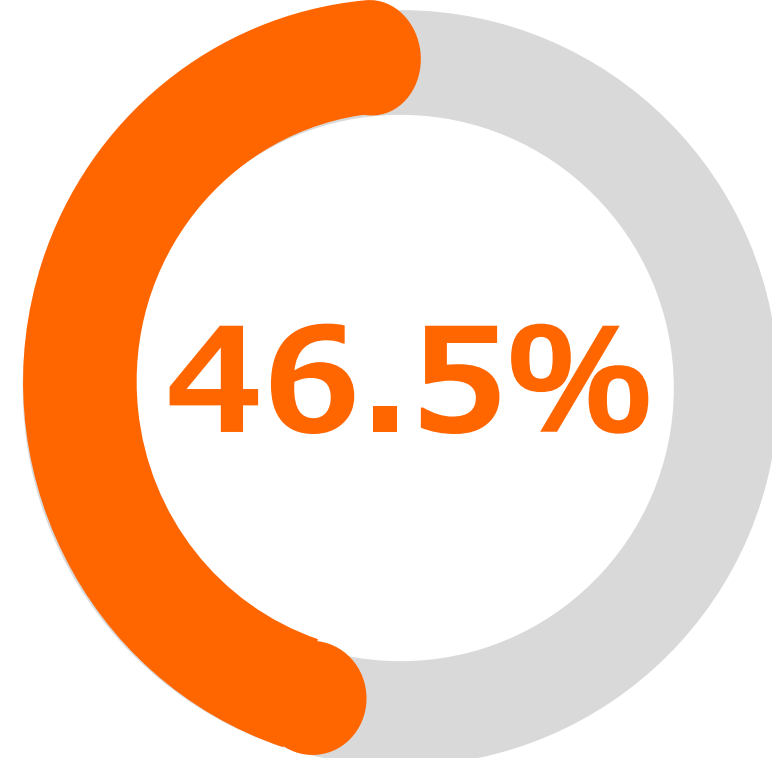


* Others: Main regions are North America, Saudi Arabia, Brazil and the Netherlands

- Sales ratio of overseas markets



- Sales ratio of Asian markets



Sales and profit increased in Personal Care Business let by strong performance mainly in Japan despite lower sales of face mask and China business decline.

Pet Care Business led sales and profit increase thanks to the effect of value-shifting penetration, and investment increased in China and South-East Asia



(Unit: 100 million yen)

●Business Segment Information (from Jan. to Dec.)

		FY Ended Dec. 31, 2022	FY Ended Dec. 31,2023	Gap (yen)	Gap (%)
Personal Care	Net sales	7,649	7,938	+289	+3.8%
	Core operating income	1,009	1,045	+36	+3.6%
	(margin-%)	(13.2%)	(13.2%)		(±0P)
Pet Care	Net sales	1,253	1,394	+141	+11.3%
	Core operating income	184	231	+47	+25.8%
	(margin-%)	(14.6%)	(16.6%)		(+2.0P)
Others ^{* 1}	Net sales	78	85	+7	+8.9%
	Core operating income	4	4	+1	+16.6%
	(margin-%)	(4.5%)	(4.8%)		(+0.3P)
Consolidation	Net sales	8,980	9,418	+438	+4.9%
	Core operating income	1,196	1,280	+84	+7.0%
	(margin-%)	(13.3%)	(13.6%)		(+0.3P)

* Other products refer to those related to industrial materials, etc.

Impact of foreign exchange fluctuations:
Approx. 24.1 billion JPY increase in sales and
approx. 3.1 billion JPY increase in core operating income

● **Rate fluctuations by currency (Jan. to Dec. average rate)**

Currency	Exchange rate for FY ended December 31, 2022	Exchange rate for FY ended December 31, 2023	Rate change
China (CNY)	19.48	19.82	+1.7%
Indonesia (IDR)	0.0089	0.0093	+4.5%
Saudi Arabia (SAR)	35.06	37.52	+7.0%
Thailand (THB)	3.75	4.04	+7.7%
India (INR)	1.68	1.71	+1.8%
Vietnam (VND)	0.0056	0.0059	+5.4%
USA (USD)	131.43	140.56	+6.9%
Netherland (EUR)	138.04	152.00	+10.1%
Taiwan (TWD)	4.41	4.51	+2.3%
South Korea (KRW)	0.1018	0.1078	+5.9%
Malaysia (MYR)	29.83	30.82	+3.3%
Australia (AUD)	91.01	93.34	+2.6%
Brazil (BRL)	25.48	28.17	+10.6%
Egypt (EGP)	6.91	4.58	-33.7%

Summary of Performance Forecast FY Ending December 31, 2024

Fiscal Year ending December 31, 2024

Summary of Consolidated Performance Forecast



Consolidated

Sales 1,006 billion JPY (YoY +6.8%)
Core operating income 144 billion JPY (YoY +12.5%)

- All time high for sales and core operating income.
- Despite increase in selling, general and administrative expenses by 0.7P due to increase of DX, R&D and labor cost, improve gross profit margin by 1.4P and core operating income by 0.7P through continuous practice of value-shifting.
- Capital investment: approx. 45 billion yen (depreciation: approx. 42 billion yen)

Japan

5 ~ 7% sales increase, profit decrease

- Business in Japan led by Wellness Care Business through penetrating value-shifting in adult excretion care products.
- Increase in DX related costs etc. for core system integration and product development.

Overseas

6~8% sales increase, profit increase

- Increase sales and profit in Asia region, recover Feminine Care Business in China, performance in Asia driven by Baby Care Business through turning profitable, increase sales and profit with continued high growth in India, increase sales and profit by growing mainly Wellness Care Business in South-East Asia.
- Increase sales and profit in other regions, continue strong performance in North America, continue high growth and improve profitability in Brazil.

Shareholder Return

Yearly dividend 44 yen per share
Increased dividend for 23 consecutive years

- Purchase of own shares: plan to purchase up to approx. 19 billion yen, approx. 4.5 million shares

All-time high for sales and all profit items for 8 consecutive years

●Consolidated account highlights (From Jan. to Dec.)

(Unit: 100 million yen)

	FY Ended Dec. 31, 2023	FY Ending Dec. 31, 2024	Gap(yen)	Gap(%)	(Ref) * 1 Actual gap rate
Net sales	9,418	10,060	+642	+6.8%	+5.8%
Core operating income (margin-%)	1,280 (13.6%)	1,440 (14.3%)	+160	+12.5% (+0.7P)	+12.0%
Profit before tax (margin-%)	1,323 (14.0%)	1,440 (14.3%)	+117	+8.8% (+0.3P)	
Profit attributable to owners of parent company (margin-%)	861 (9.1%)	900 (8.9%)	+39	+4.6% (-0.2P)	
Base earnings per share (JPY)	145.42	152.48	+7.06	+4.9%	
USD Rate (JPY)	140.56	143.00	+2.44	+1.7%	
CNY Rate (JPY)	19.82	19.90	+0.08	+0.4%	

*1 : Actual gap rate excluding exchange effects

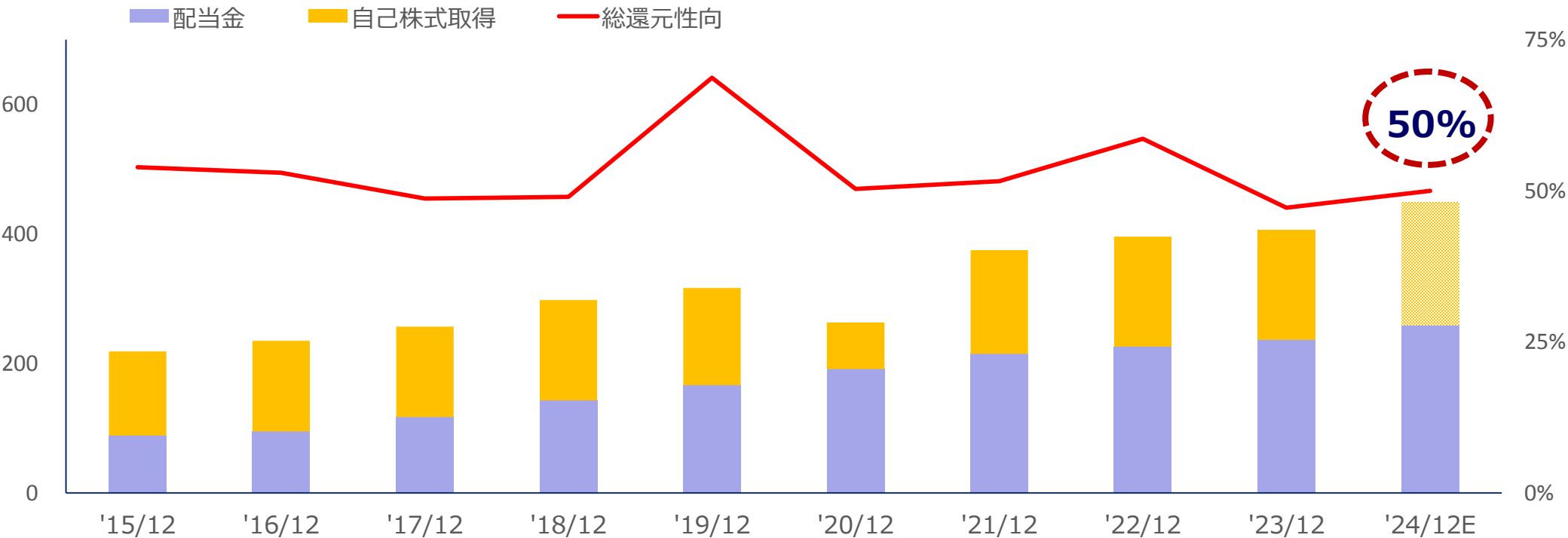
Shareholders Return Policy

Through the payment of dividend linking to the business performance and buy-back of our own shares, we are also aiming for total return ratio of 50% in 2024



● Shareholders return policy

(Unit: 100 million yen)

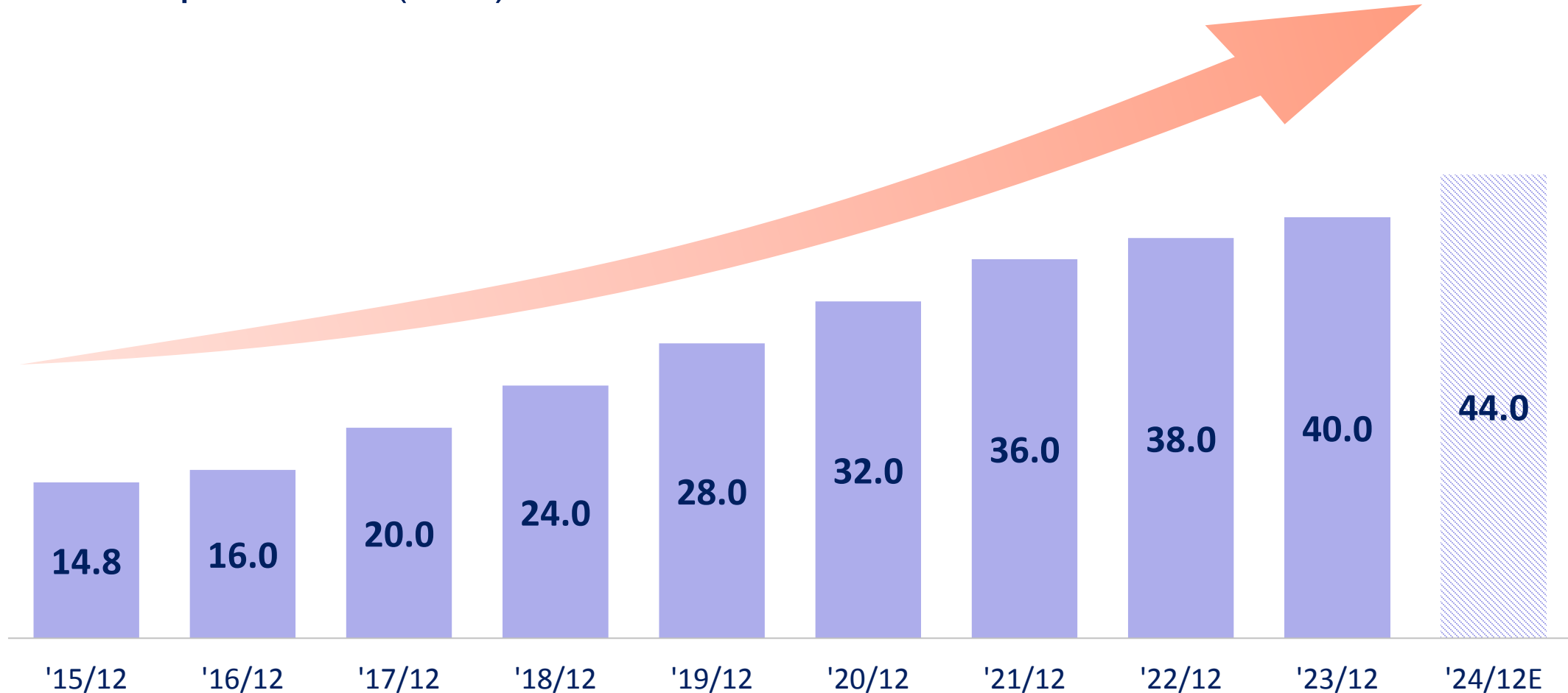


We are aiming at returning profits to our shareholder with a goal of total return ratio of 50% by paying dividends on a consistent and continuous basis and buying back our own shares, upon necessity, on a flexible manner based on the growth of med-to-long term consolidated earnings while focusing on the business investment for achieving the uninterrupted growth.

Dividend per share

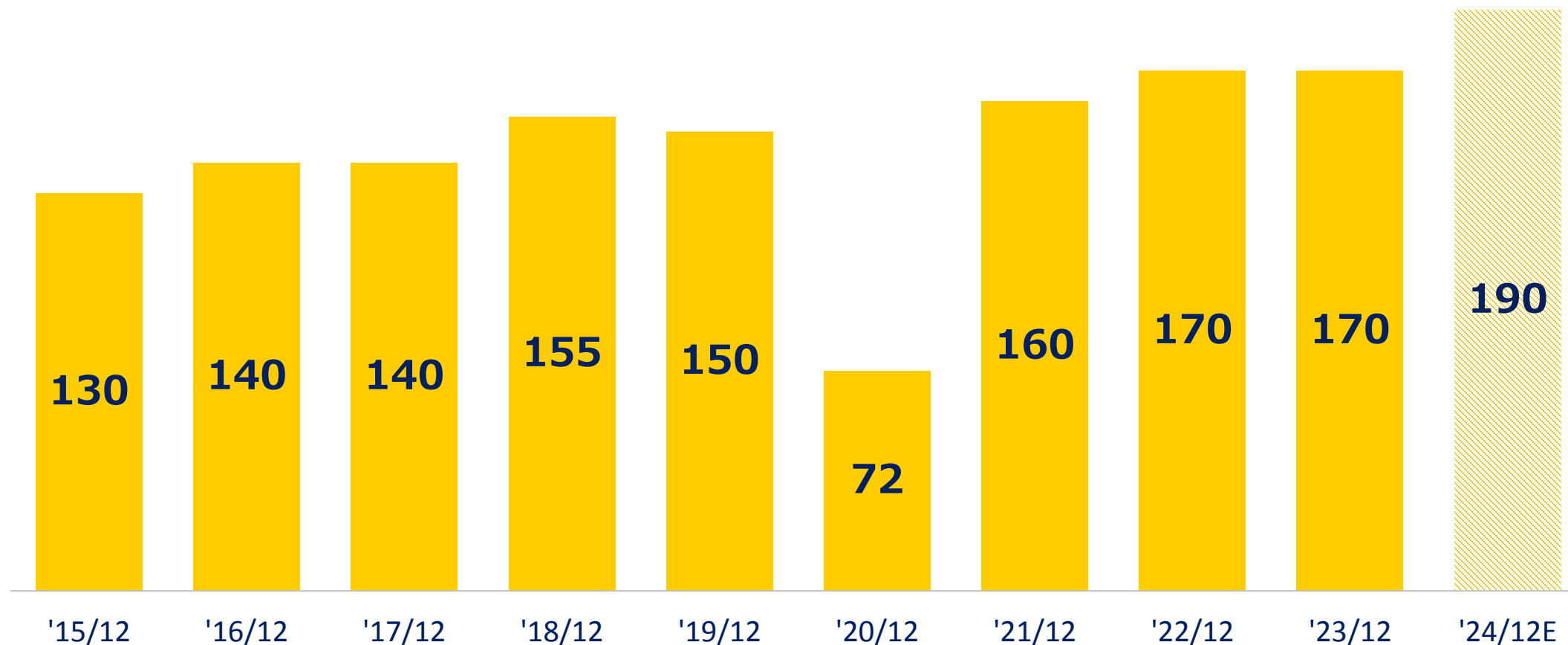
Plan to increase dividend for 23 consecutive years (44 yen a year)

●Dividends per share (JPY)



Flexible purchase of own shares depending on the cash condition
Purchase 19 billion JPY (4.5 M shares) in 2024 as planned

●Share buy-back history (100 million JPY)



The 12th Mid-term Management Plan

Financial Goal

Towards realizing “Cohesive Society” in 2030 and becoming world’s No.1 company, target in 2026 is “sales 1,150 billion JPY” aiming sales CAGR approx. 7%.



● Financial Goal

Kyo-Sei Life Vision 2030

The 11th Mid-term Group Management Plan (Results)

The 12th Mid-term Group Management Plan



Indicator	2023
CAGR	9.0%※1
COPM	13.6%
ROE	13.1%

※1 FY20年→FY23

2026
6.9%※2
15.8%
15.0%

※2 FY23→FY26

2030
6.9%※3
17.0%
17.0%

※3 FY23年→FY30

Approach to realize a “Cohesive Society (Social Inclusion)”

◆ 20 key themes with the goal in 2030



◆ 20 key themes of initiatives to realize “Cohesive Society (Social Inclusion)”

Safeguarding the well-being of individuals

- Extension of healthy life expectancy and improvement of QOL
- Support for a society where gender and sexual orientation do not restrict people’s activities
- Coexistence with pets
- Improvement of childcare
- Improvement of public hygiene

Safeguarding the well-being of society

- Innovations to achieve “NOLA&DOLA”
- Practicing sustainable lifestyles
- Construction of value chains that take account of sustainability
- Improvement of customer satisfaction
- Provision of safe, reliable products

Safeguarding the well-being of our planet

- Development of eco-friendly products
- Addressing climate change
- Expanding our line of recycled models
- Promotion of product recycling
- Reduction of the amount of plastic materials used

Unicharm Principles

- Management practices that take sustainability into account
- Practice of appropriate corporate governance
- Promotion of diversity management
- Fostering the development of competent human resources
- Construction of healthier workplaces and workplace safety systems

◆ Safeguarding the well-being of individuals

Key initiatives	Indicators	Results		Mid- and long- term goals	
		2021	2022	Target value	Target year
Our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives.					
Extension of healthy life expectancy and improvement of QOL	Percentage of products and services that contribute to the realization of a society where everyone can have a sense of individuality.	Continue 100%	Continue 100%	100%	2030
Support for a society where gender and sexual orientation do not restrict people’s activities	Percentage of products and services that contribute to a society where people around the world are free from discrimination by gender or sexual orientation (including products and services that contribute to the elimination of sexual discrimination still present in certain countries and regions).	Continue 100%	Continue 100%	100%	2030
Coexistence with pets	Percentage of products and services that contribute to the realization of a society where pets are welcomed by family members and community residents.	Continue 100%	Continue 100%	100%	2030
Improvement of childcare	Percentage of products and services that contribute to the realization of a society where infants and their families can live healthily and happily.	Continue 100%	Continue 100%	100%	2030
Improvement of public hygiene	Percentage of products and services that contribute to activities which can reduce the spread of preventable infectious diseases (contact transmission or droplet transmission).	Continue 100%	Continue 100%	100%	2030

Support “lengthening healthy life expectancy” with products and services for the senior citizens

◆ Extension of healthy life expectancy and improvement of QOL



Year 2030 Goal
Continuation
of 100%



Rollout of products and services that enable living with a sense of individuality

➤ Supporting independent excretion by developing unique products that match the user's ADL (activities of daily living)



(Safeguarding the well-being of each individual)

Rollout of activities tailored to national and regional characteristics to develop a society where women shine

◆ Support for a society where gender and sexual orientation do not restrict people's activities



Year 2030 Goal
Continuation
of 100%



Development of products and services that enable to be free from discrimination by gender or sexual orientation

➤ Efforts to create a world where we feel free to talk about menstruation

#NoBagForMe

話そう、知ろう。生理のこと。

生理について学ぶ企業向けプログラム
みんなの生理研修

> 参加企業募集中! 詳しくはこちら

Number of training videos provided:
Approx. 430 companies and organizations
(as of end of December 2023)



TikTok views:
approx. 21 million
(as of end of December 2023)

➤ Promote women empowerment support globally



Menarche education

Participants:
Approx. 580,000 in India
(as of end of December 2023)



Female
Entrepreneur
Creation
Project



Culturally
sensitive plant
dedicated to
women

Pink Ribbon Campaign:
2023 is the 16th year in Japan



Internet Media
AWARDS



TOKYO CREATIVITY AWARDS



(Safeguarding the well-being of each individual)

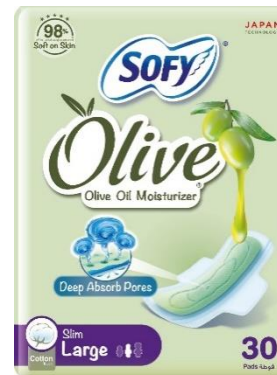
Unique new value proposals that match the characteristics of each country and region



- Underwear-like type that reduces the anxiety of leaks, and a napkin that focuses on warmth (developed by China subsidiary)



- Napkin featuring anti-bacterial sheet (developed by Indian subsidiary) and napkin containing olive oil (developed by Saudi Arabia subsidiary)



- Cool napkin that feels less dampness and a cool, refreshing feeling and type of napkin that contains charcoal (developed by Thailand subsidiary)



- Discharge sheet that checks pregnancy timing and various care products that correspond to the lifestyle of women (developed in Japan)



(Safeguarding the well-being of each individual)

Support improvement of childcare environment through products and services that eliminate discomfort and create the comfort of babies and parents



◆ Coexistence with pets



- High quality and delicious pet food that responds to various needs to support health



Year 2030 Goal
Continuation
of 100%



Development of products and services that enable pets to be welcomed by people

- Toiletry products utilizing non-woven and absorbent core processing and molding technologies, and “Go with Doggie”, a service that allows you to go out with your dog



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(Safeguarding the well-being of each individual)

Support improvement of childcare environment through products and services that eliminate discomfort and create the comfort of babies and parents



◆ Improvement of childcare



Year 2030 Goal
Continuation
of 100%



Development of products and services that enable happy and healthy life of babies and families

- “Tebura Toen”, a subscription service (fixed charge system) for nursery schools can reduce the burden on parents and child care workers, as well as infection risk

- Unique products that meet the needs of each country and region



Over 4,600 locations in
47 prefectures
(as of the end of
January 2024)



◆ Improvement of public hygiene



- Pursuing comfort, functionality, and design, creating products that match consumers' actual usage and needs



Year 2030 Goal
Continuation
of 100%



Development of products and services
that enable each one of us to control infection

- Boost high value-added masks development globally



◆ Safeguarding the well-being of society

Key initiatives	Indicators	Results		Mid- and long- term goals	
		2021	2022	Target value	Target year
Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers, but also contribute to solving social issues and promoting sustainability.					
Innovations to achieve “NOLA & DOLA”	Percentage of products and services that contribute to liberation from various burdens and finding enjoyment in life.	Continue 100%	Continue 100%	100%	2030
Practicing sustainable lifestyles	Percentage of products and services suitable for the “SDGs Theme Guideline”, an internal guideline for contributing to sustainability.	100%※	10.5%	50%	2030
Construction of value chains that take account of sustainability	Percentage of products and services that use raw materials procured from “local production for local consumption”, thereby contributing to local economies based on the perspectives of the environment, society, and human rights.	Under development	Under development	Double (Compared to 2020)	2030
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share).	23.4%	23.6%	50%	2030
Provision of safe, reliable products	Percentage of products to which a new internal guideline for safety and quality has been set and certification has been granted.	Continue 100%	Continue 100%	100%	2030

(Safeguarding the well-being of society)

Development of products and services toward the realization of social inclusion so that everyone can lead a healthy and sanitary life comfortably

◆ Innovations to achieve “NOLA & DOLA”



- Face masks that quickly utilize UC's own technology after listening to hearing impaired and speech impaired persons



Year 2030 Goal
Continuation
of 100%



Development of products and services that contribute to liberation from various burdens and finding joy in life

- World's first* disposable diapers that keep mosquitoes away from diapers and protect babies from the threat of dengue fever, with the addition of an affordable pants type to support areas at high risk of infection



* The tape part is coated with microcapsules containing fragrance.
Target infant disposable diapers for major global brands.
(Based on Unicharm research, February 2020)

◆ Safeguarding the well-being of our planet

Key initiatives	Indicators	Results		Mid- and long- term goals	
		2021	2022	Target value	Target year
Our aim is to provide products and services that are sanitary and convenient, as well as contribute to activities that improve our planet’s environment.					
Development of eco-friendly products	Number of products and services that implement “3Rs + 2Rs” based on Unicharm’s unique approach.	Under development	2	10 or more	2030
Addressing climate change	Percentage of renewable energy used for business operations in total.	7.3%	11.0%	100%	2030
Expanding our line of recycled models	Number of disposable paper diaper recycling facilities introduced.	Under development	1	10 or more	2030
Promotion of product recycling	Material recycling of non-woven products using recycling resources	Under development	Under development	Start of commercial usage	2030
Reduction of the amount of plastic materials used	Percentage of virgin plastics to total plastics.	Under development	Under development	Reduced by half (Compared to 2020)	2030

➤ 「Eco Plan 2030」

Environmental Targets 2030	Implementation items		Base year	2021 Results	2022 Results	2023 Targets	2030 Targets	2050 Vision
Responding to the problem of plastic waste	Reducing usage of packaging materials	Per unit of sales	2019※ ¹	▲0.2%	▲12.3%	▲14.0%	▲30%	Realizing a new society with zero plastic waste
	Selling products that contain no petroleum derived plastic	—	—	Development ongoing	Development ongoing	Development ongoing	10 or more stock-keeping units (SKU) sold	
	Raising awareness about proper disposal of used products	—	—	38% (6 countries / regions)	50% (8 countries / regions)	56%	Rolled out at all Group companies	
	Eliminating the use of plastic in sales promotional items	—	2019	▲8.9% (Japan)	▲81.8% (Japan)	▲30%	In principle, reduced to zero at all Group companies	
Responding to climate change	Reducing CO ₂ emissions associated with raw materials procurement	Per unit of sales	2016	9.7% (Japan)	▲12.6% (Japan)	▲14.3% (Japan)	▲17%	Realizing a society with net zero CO ₂ emissions
	Reducing CO ₂ emissions in manufacturing	Per unit of sales	2016	▲26.9%	▲35.2%	▲38.6%	▲34%	
	Reducing CO ₂ emissions associated with disposal of used products	Per unit of sales	2016	23.7% (Japan)	▲11.6% (Japan)	▲14.2% (Japan)	▲26%	
Not contributing to deforestation (response to procurement related issues)	Ensuring traceability to pulp and palm oil production locations (country/region)	Forest-derived raw materials※ ²	—	97%	97.1%	98.0%	Completed	Realizing a society with zero deforestation related to the purchasing of timber
		Palm oil	—	77.2%	72.2%	80.0%		
	Expanding the use of certified pulp (PEFC※ ³ - and CoC-certified)	Percentage of certified factories※ ³	—	52.0%	56.0%	64.0%	100%	
		Percentage of certified materials procured	—	76.0%	72.3%	75.0%		
	Expanding the use of certified palm oil (RSPO※ ⁶ -certified)	—	—	77%	72.2%	80.0%	100%	
	Promoting the recycling of used disposable diapers	—	—	Development ongoing	2※ ⁴	2	Rolled out in at least 10 municipalities	

※¹ We have updated our base year from 2016 to 2019 following a review in 2020.※² Percentage of raw materials derived from forest resources for which traceability has been established to their place of origin (country and region), in addition to third-party certified materials. Forest-derived raw materials include pulp, tissue, separators, and airlaid pulp.※³ Percentage of Unicharm factories that have acquired CoC (chain of custody) certification.※⁴ In 2022, recycling facilities will be in operation in two municipalities, Shibushi and Osaki, Kagoshima Prefecture. (In 2020, Higashiyamato and in 2021, Machida will conduct verification experiments on the collection of used disposable diapers.)

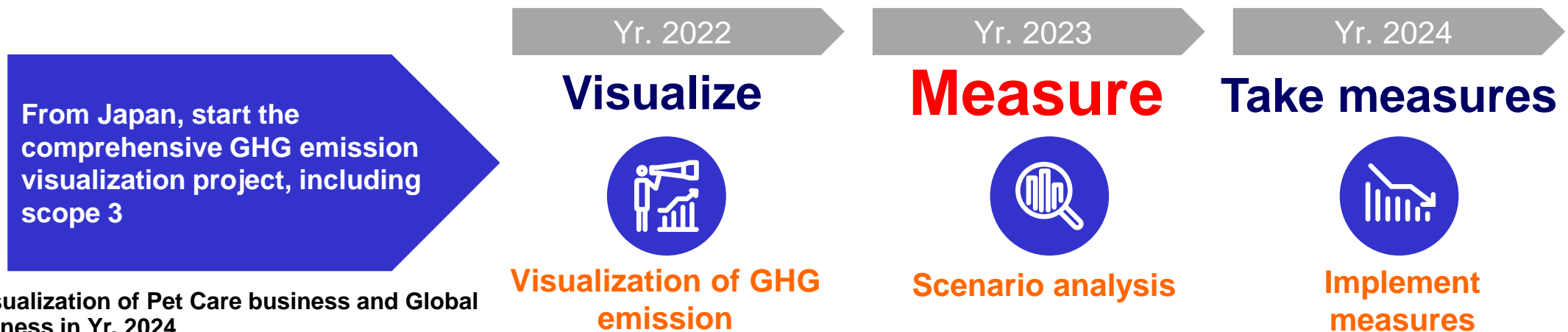
➤ **Initiatives towards a society with zero CO₂ emissions by 2050**

Fiscal Year	Initiative Status
2018	✓ Certified as the 17th 2.0°C target setting company in Japan
2020	✓ Setting of “Eco Plan 2030”
2022	<ul style="list-style-type: none"> ✓ Start of deliberation on modification to 1.5°C target ✓ Start of a comprehensive GHG emission volume visualization project, including Scope 3.
2024	<ul style="list-style-type: none"> ✓ Application to be made to SBTi for 1.5°C target ✓ Eco Plan 2030 to be modified based on the 1.5°C scenario

*SBTi (The Science Based Targets initiative): Promotes the setting of emission reduction targets by companies consistent with scientific knowledge towards the target of keeping the rise in global average temperature due to climate change to 1.5°C compared to before the Industrial Revolution.

- Aim to disclose GHG emissions by product to achieve net “zero” emissions of CO₂, build the GHG emission visualization platform, including CO₂ in the entire supply chain, and promote the efforts for “response to climate change” more aggressively

Environmental Targets 2030	Implementation items		Base Year	2021 Results	2022 Results	2023 Targets	2030 Targets	2050 Vision
Responding to climate change	Reducing CO ₂ emissions associated with raw materials procurement	Per unit of sales	2016	9.7% (Japan)	▲12.6% (Japan)	▲14.3% (Japan)	▲17%	Realizing a society with net zero CO ₂ emissions
	Reducing CO ₂ emissions in manufacturing	Per unit of sales	2016	▲26.9%	▲35.2%	▲38.6%	▲34%	
	Reducing CO ₂ emissions associated with disposal of used products	Per unit of sales	2016	23.7% (Japan)	▲11.6% (Japan)	▲14.2% (Japan)	▲26%	



* Visualization of Pet Care business and Global business in Yr. 2024

Switch all electric power used at factories to green electric power* aiming to reduce CO₂ emission

◆ Addressing climate change



- Ratio of renewable electricity: 11% (as of December 31, 2022); Expected to be approximately 26% in year 2023

Top five nations	Percentage of renewable electric power
Brazil	100%
U.S.A.	100%
China	About 26%
Japan	About 16%
Vietnam	About 14%



Percentage of renewable electric power used for business operation

- Offices with 100% of renewable electric power used



Brazil
(Jaguaruiuna Factory)



US
(Hartz Pleasant Plain Factory)



Japan (Kyushu, Toyohama Manufacturing, Mie Factory, Saitama Factory, Peparlet)

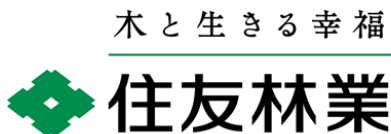


(Safeguarding the well-being of our planet)

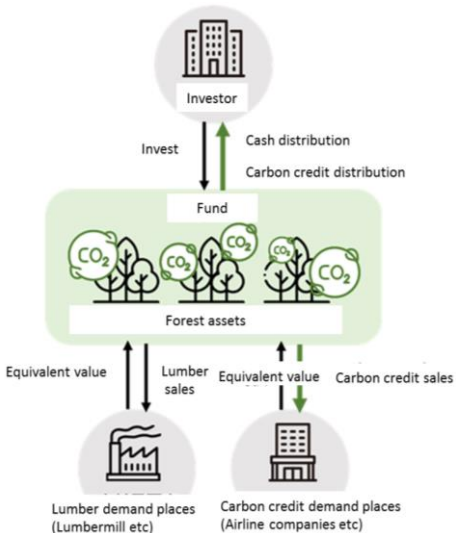
Carbon Neutral Initiatives to Address Climate Change



- Forest fund funded by 10 Japanese companies
Participate in “Eastwood Climate Smart Forestry Fund I”



Name	Eastwood Climate Smart Forestry Fund I
Operation asset scale	Approx. 60 Billion yen (Approx. 415 Million USD) *1USD = 144.46 yen (Calculated based on July 3, 2023 rate)
Asset	Assumes forest assets primarily in North America
Operation period	15 years
Management	Eastwood Forests, LCC (Sumitomo Forestry Group) SFC Asset Management Co.,Ltd. (Sumitomo Forestry Group)
Formation period	June 2023



- Relocated to a new ZEB Ready*-certified office building, that reduces energy consumption to less than 50% compared to that of a conventional building



- installation of solar power
- Installation of LED lighting with brightness sensors
- Use of multi-layered glass to improve cooling and heating efficiency
- 48% green coverage
- Use of rainwater and wastewater from air conditioning

* One of the 4-stage ZEB (an acronym for Net Zero Energy Building) series. The ZEB Ready certification criteria is defined as a building that achieves a reduction in primary energy consumption of 50% or more from the standard primary energy consumption in terms of energy conservation, excluding renewable energy.

Initiatives for building an environmentally friendly and sustainable logistics system

- Expansion of modal shift through separation of cargo handling operations, consolidated transportation, and utilizing swap body containers with different industries by railways, and ships



- Kyushu Smart Logistics is equipped with automated warehouse equipment and the latest warehouse management system



- Developing logistics bases near local consumption areas

Osaka



Saitama



- Products with improved comfort and compression ratio using patented ultrasonic bonding technology, as well as products that reduce food loss and contribute to long-term preservation, improve the efficiency of logistics delivery and reduce greenhouse gas emissions



(Safeguarding the well-being of our planet)

Aiming for a world with “zero waste”

Taking on the Challenge of “Disposable Diapers to Horizontal Recycling from Disposable Diapers”



◆ Development of environmentally friendly products



Number of products and services that implement
3Rs + 2Rs based on unique approach

- Launched*² the World's First*¹ product using recycled pulp treated with ozone technology as part of the absorbent material in new disposable pants product



*1 Horizontal recycling technology from disposable pants to disposable pants using ozone treatment technology (Based on UC research, December 2020)

*2 Sold at hospitals and nursing care facilities in the Kyushu area

- Started collecting used diapers at preschools*³ that have introduced the “Tebura Toen” program



Process flow recycling from collecting used diapers from daycare facilities to creating new product

*3 5 daycare facilities that use the “Tebura Toen” program in Shibushi City, Kagoshima Prefecture

Reduce waste disposal cost and environmental burden through recycling used disposable diaper

◆ Expand our line of recycle model



2030 Target
More than 10
cases



Number of disposable diaper
recycling facilities introduced

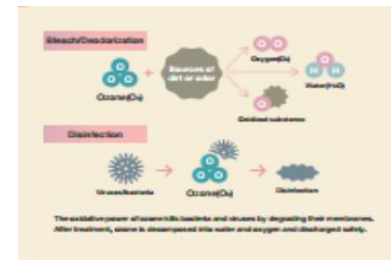
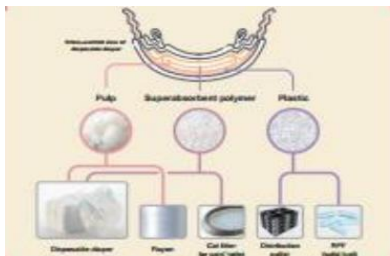
➤ Keep it safe and convenient, toward the future where recycling is the norm

Recycle
all materials

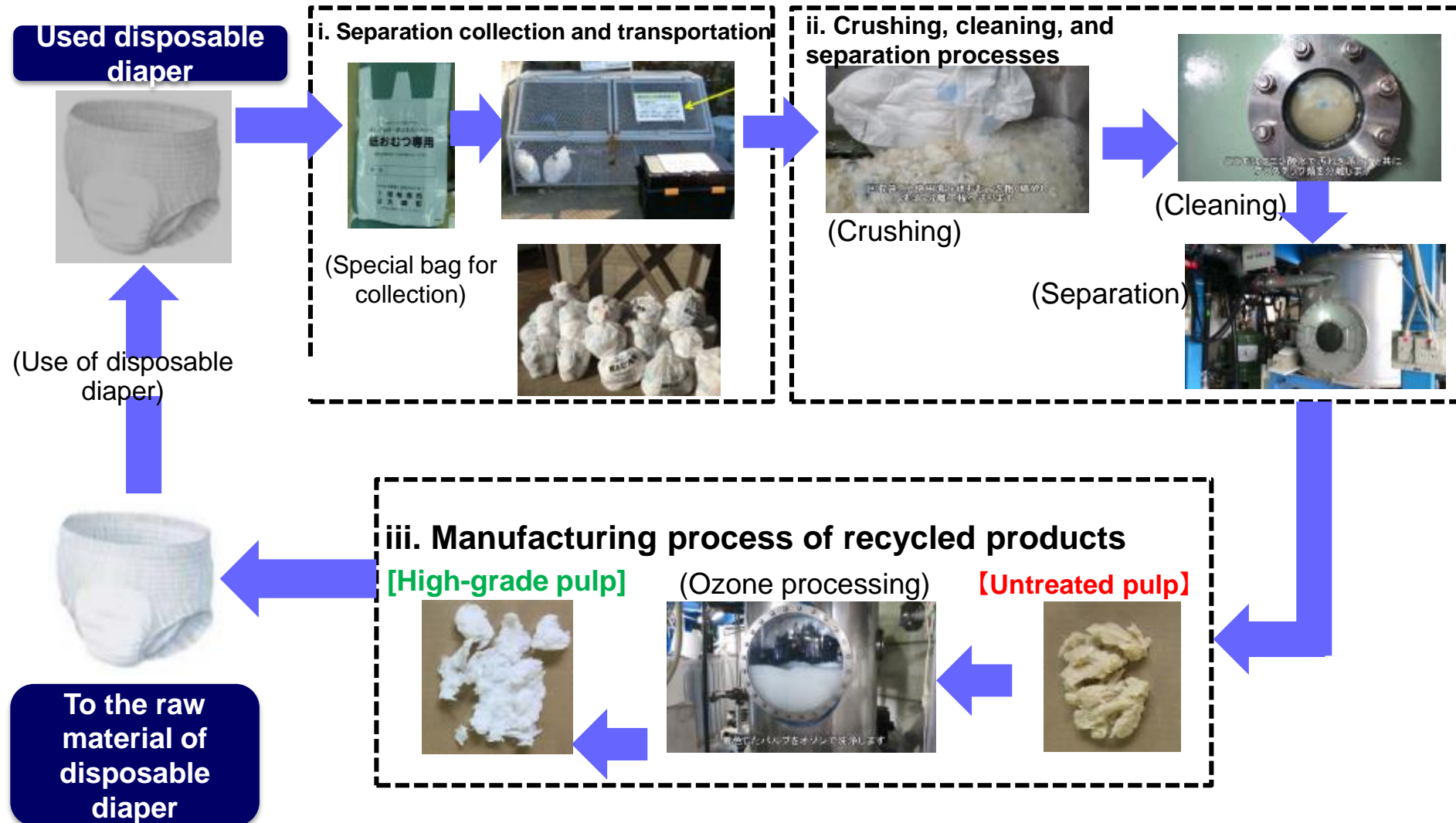
Cleaning used disposable diapers to
sanitary material quality

**No pollution
to water and air**
By ozone bleach and
sterilization

Approaching
**The future where
recycling is
the norm**



➤ Horizontal recycling (from disposable diaper to disposable diaper)



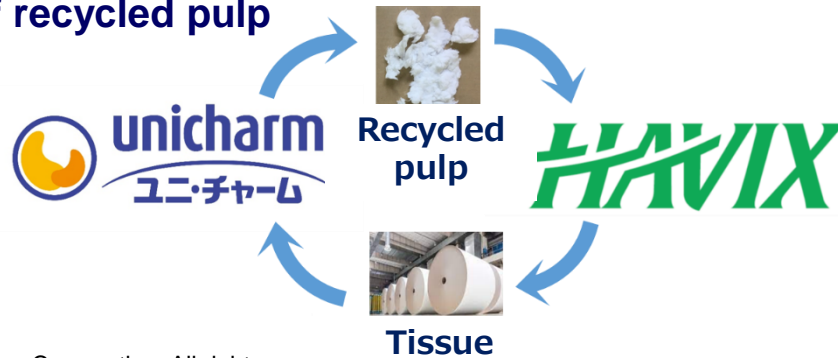
(Safeguarding the well-being of our planet)
Demo-project to promote recycling used disposable diapers



- **Co-creation with local governments and businesses to promote recycling of used diapers**



- **To expand the supply of disposable pants using recycled pulp, developed processing technology for converting recycled pulp into base paper for disposable pants with Havix Corporation, and started commercial use of recycled pulp**



- **Collection bags made from recycled plastic which was derived from used disposable diapers**

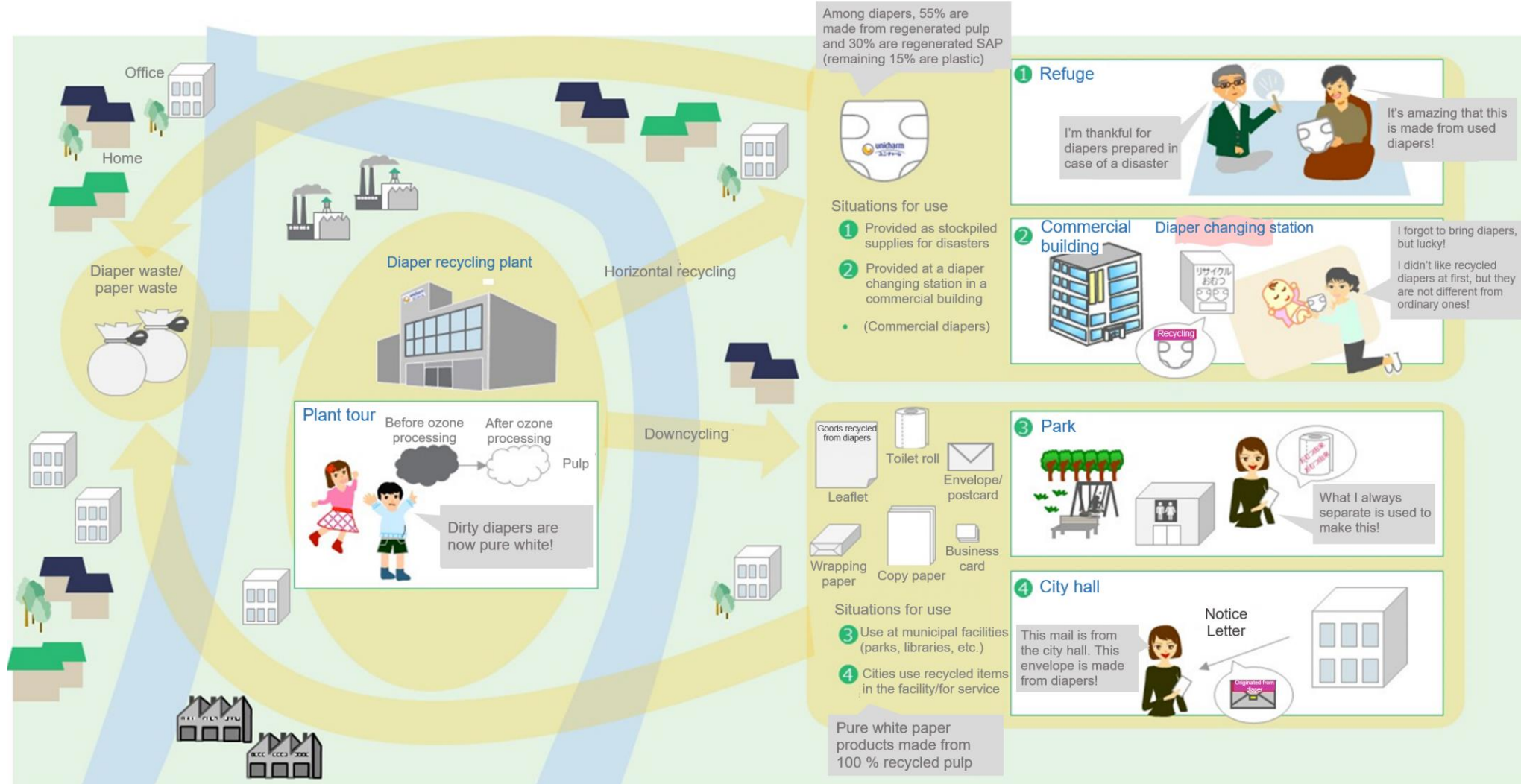


- **Creating opportunities to experience quality, safety, and environmental friendliness of recycled pulp, and transmitting information utilizing SNS**



(Safeguarding the well-being of our planet)
Make more opportunities to experience recycling
Create the society where “Disposable diaper recycling is a natural matter”

➤ Future vision using recycled materials (image)



(Safeguarding the well-being of our planet)
Recycling Initiatives at Production Bases

◆ **Advancing Product Recycling**



Implementation of material recycling for non-woven material products using recycled resources

➤ **Advancing waste reduction by reusing product loss from disposable diapers as raw material for cat excretion care products (Paper Litter®)**



Unicharm Affiliated Production Companies

Pet Care Product Affiliated Production Company: Peparlet company new factory

◆ Reducing usage volume of plastic



➤ Switched to paper materials for sales promotion materials to reduce the usage volume of plastic



2030 Target
 Reduced by half
 (Compared to 2020)

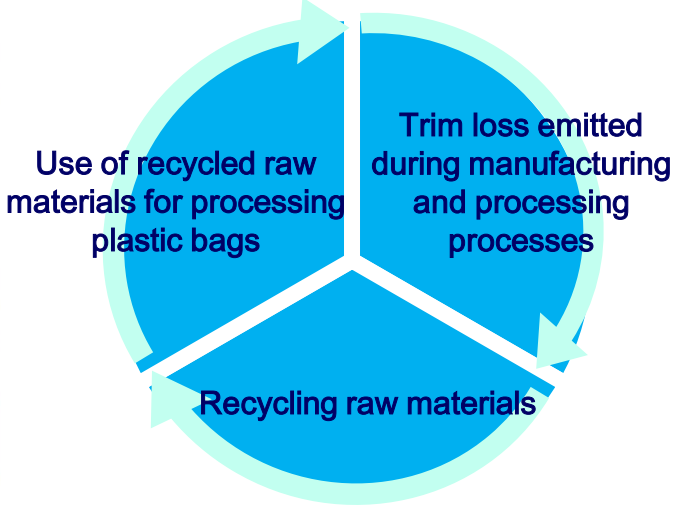


Ratio of virgin petrochemical-derived plastics to plastics

➤ Began recycling plastic “trim loss” emitted in the manufacturing process as raw material



Trim loss emitted at the factory



Recycling-oriented system

◆ Unicharm Principles

Key initiatives	Indicators	Results		Mid- and long- term goals	
		2021	2022	Target value	Target year
Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.					
Management practices that take sustainability into account	Maintain and improve ratings by external evaluation agencies.	—	—	Highest level	Every year starting from 2026
	Number of serious human rights violations in the value chain.	Zero occurrences	1* (Corrected)	Zero occurrences	Every year
Practice of appropriate corporate governance	Number of serious compliance violations.	Zero occurrences	Zero occurrences	Zero occurrences	Every year
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women.	22.5%	23.2%	30% or more	2030
Fostering the development of competent human resources	Percentage of positive answers received for the “Growth through Work” employee awareness survey.	81.4% (Japan)	89.2% (Entire company)	80% or more	2030
Construction of healthier workplaces and workplace safety systems	Reduction in the percentage of employees on leave for mental or physical health reasons by improving the workplace environment so that employees can work with peace of mind and maintain mental and physical health.	6 people (Japan)	4 people (Japan)	Reduced by half (Compared to 2020)	2030

* Number of business critical SMETA audits of own facilities and suppliers (bottom row includes results of corrective actions)

Introduction of ESG evaluation system for all employees following on from executive evaluation to maximize social and economic value

◆ Management practices that take sustainability into account

Purpose

Contribution to achievement of SDGs



We support the Sustainable Development Goals (SDGs)

Every year starting
from 2026:
Max level



Maintain and improve ratings by
external evaluation agencies.

➤ ESG evaluation introduced first in executive evaluation (directors*, executive officers)

- ✓ Consolidated earnings: consolidated net sales, core operating income, earnings per share attributable to owners of parent (weight: 20% - 50%)
- ✓ Division earnings: division sales, division profit (weight: 0% - 40%)
- ✓ Company strategy: priority strategy, ESG performance (ratings of ESG rating agencies, etc.) (weight: 20% -50%)
- ✓ Division strategy: division priority strategy (weight: 0% - 40%)

*Except for directors who are audit and supervisory committee members

➤ Introduce an ESG evaluation system for all employees to visualize contributions to society and create new value through individual growth

ESG objective

Realize a
“Cohesive Society
(Social Inclusion)”

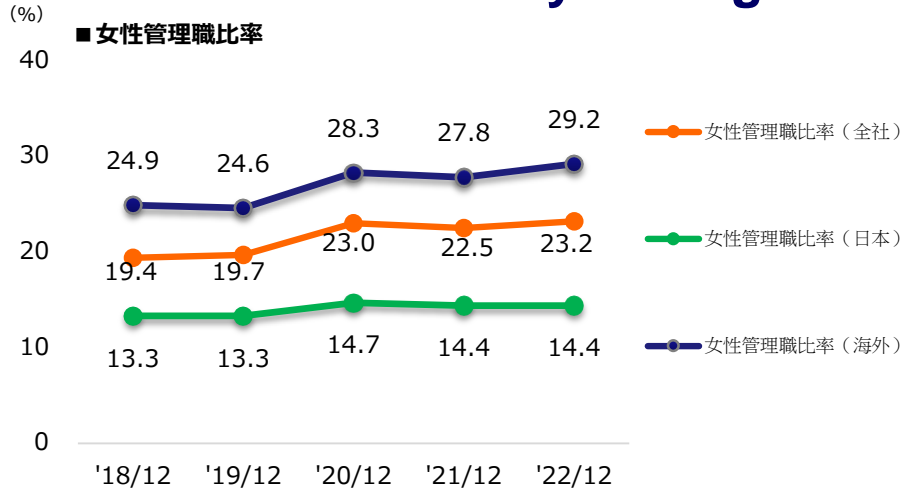
HR system

Encourage individual
growth to become a
global No. 1 company



(Unicharm Principles)
Strengthen initiatives toward women empowerment

◆ Promotion of diversity management



- **Creating places where people talk about careers and concerns, with executive officers as mentors (Japan)**

Room L+

A women's community that enhances a sense of security and motivation to work

R&D D&I training

Understand biases and recognize one's unconscious biases

Empowerment system

One-on-one meetings with executive officers bring out leaders' strengths

President / Leader Lunch meetings

Expanding perspectives and cultivating desire to realize a career path

2030 Target
Over 30%



The ratio of female employees in managerial positions by providing various opportunities to female employees

- **Supporting women's economic independence by overcoming issues faced by countries and regions (overseas)**

Creating Women Entrepreneurs in Rural India



Providing New Opportunities for Women in Saudi Arabia



- Localization ratio of general manager and above

Local
executive
employee ratio
49.0%
(As of December 2023)



◆ Fostering the development of competent human resources

2023 Employee satisfaction
(Entire company)

Max. score 5

4.04

2022 4.39 (Japan)

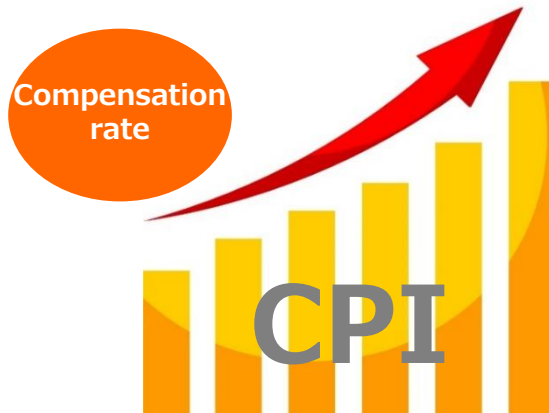


2030 Target
Over 80%



Ratio of positive responses to "Real feeling of growth through work" in employee awareness survey

- Realized a company-wide compensation increase rate that exceeds the CPI (Consumer Price Index)



- Introduction of role-based benefits to encourage employee growth and strengthen human capital

Role-based benefit
Scrum leader benefit
Brother & sister benefit
Career navigator benefit
Newly hired employee initial salary fluctuation system benefit
Skill benefit

Training and nomination of successors (Corporate governance report: Succession planning)

Management practices that take sustainability into account

(1) Each executive officers periodically conducts interviews with future director candidates and future executive officer candidates based on their career visions and career plans, and carries out human resource mapping.

(2) The Representative Director, President & CEO conducts quarterly interviews with executive officers; and gives guidance and training by setting measurable goals and objectives for executive officers and their organizations, and evaluating their achievements.

Outside directors have at least one opportunity per year to hold individual meetings with executive officers, in which they check the status of execution of business and problems in work, and provide guidance and training to help management solve problems and gain a wider, more comprehensive view by giving advice from a broad perspective.

(3) The status of this process is regularly reported to the Nomination Committee and the Compensation Committee for deliberation.

(4) The board of directors nominates candidates for directors and executive officers based on the opinion of the Nomination Committee.

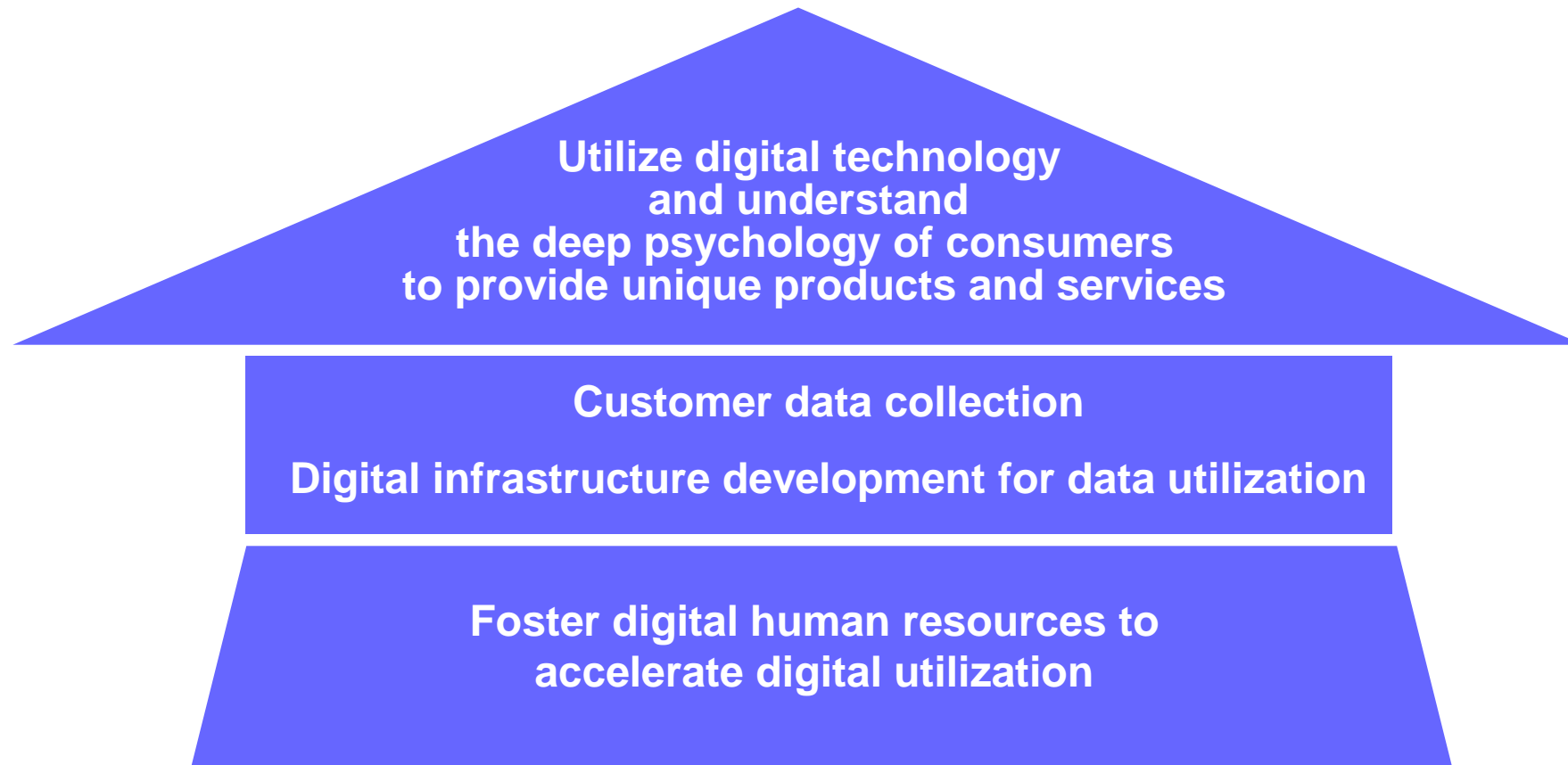
(5) The Company runs “Global 15 Project” (about 15 department managers participate in this program for each three year term, during which around 18 meetings are held to learn general knowledge by practical experience) and “Secretary for Strategy” (mid-grade employees in their thirties participate in this program; they are transferred to Business Planning Office and serve as secretaries of Representative Director, President & CEO to learn how he thinks and acts) which are human resource development program under direct supervision by Representative Director, President & CEO. Medium and long-term picking-up and training of future candidates of directors and executive officers are of the purposes of these programs.

Fostering DX human resources toward new value creation

Utilize digital technology and create absolute value for consumers in order to realize sustainable improvement of corporate value and stronger competitiveness

SUSTAINABLE DEVELOPMENT **GOALS** Contributions “Love Your Possibilities”

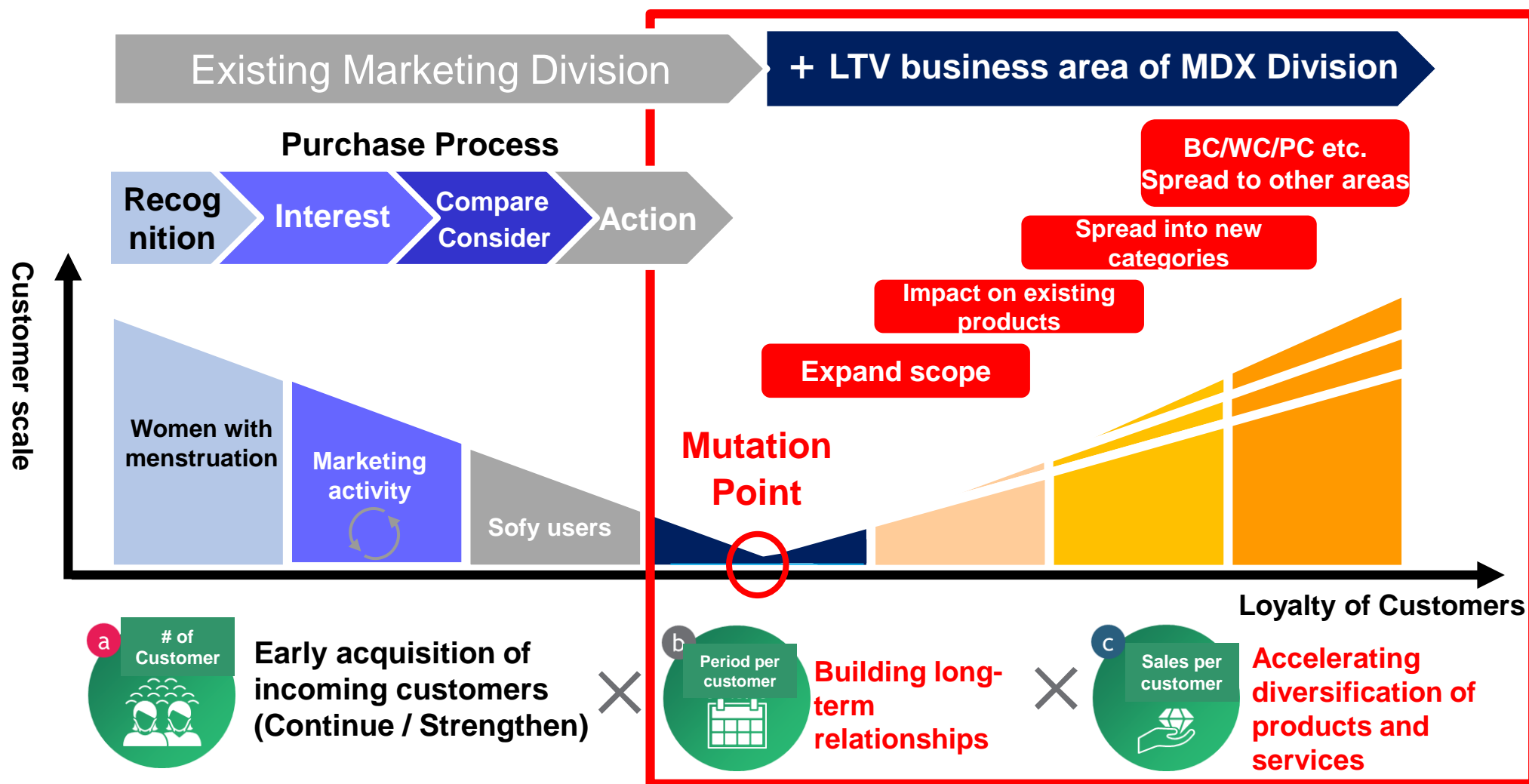
Achieve a “Cohesive Society” (= Social Inclusion)



Creating a model to maximize Life Time Value (LTV) based on women

Building long-term relationships with customers and accelerating the diversification of products and services

➤ LTV business area of MDX Division (Marketing by DX)



Initiatives to develop “DX human resources” globally to maximize customer lifetime value



- Create specialized learning opportunities through training sessions such as “DX Basic Study Group” to acquire basic digital knowledge



- “EC Trainee System” is a program to develop EC human resources who can play an active role globally



- Online self-study on a global basis, “LinkedIn Learning”

	Number of users	Login ratio
Global	Approx.2,000	100%
Japan	Approx.1,000	100%



- Introduced UniChat (Unicharm version generative AI Chat), a digital tool that helps save time and improve work efficiency



Examples of initiatives using digital technology

Initiatives to foster “resonant personnel” who can realize “BOP Ship” on a global scale using digital technology



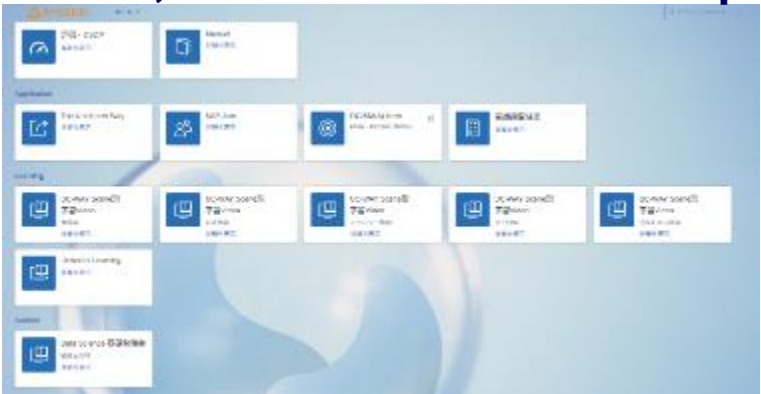
- “BOP-Ship”, Unicharm’s corporate culture that has been inherited from the establishment and evolving



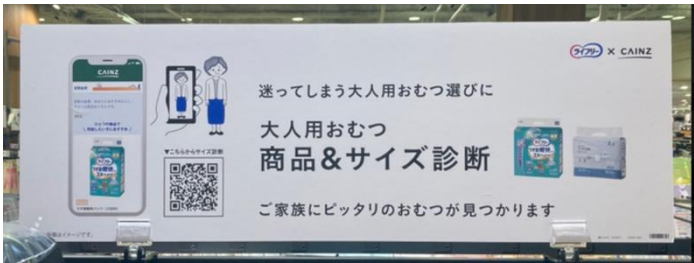
- Infiltrating “Management with Resonance” with “The Unicharm Way” app



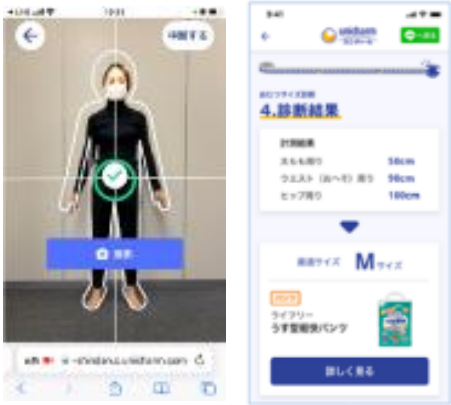
- Challenge to higher goals and strengthen the ability of human resource development with “KYOSHIN”, human resource development PF



- "Adult diaper counseling" that helps select the best choice of disposable diaper
- Troubles about doggies and kitties are shared in DOQAT*



No. of Users: Approx. 29,000
(As of the end of December, 2023)



※ DOQAT <https://doqat.jp/>

Registrants: 44,000 (total)
(as of the end of December 2023)

- “Sofy girl” and “Sofy” that support menstruation-related concerns (menstrual management app)
- “Team moony point program”, “Online moony classes”, “moony-chan toilet training app” can ease the anxiety about childbirth and childcare



No. of Users: Approx. 2,000,000
(As of the end of December, 2023)



Addition of desire to be pregnant mode



Team moony
Number of registered members:
Approx. 1.94 million members
(as of end of December 2023)



Japan initiatives utilizing digital technology-2

- Develop health care support service for kitties through business and capital tie-up with RABO, Inc.*1



*1 RABO, Inc. <https://rabo.cat/company/>

- Promote a good sleeping environment and appropriate care for babies through joint research with CHaiLD Co., Ltd. *3



*3 CHaiLD Co., Ltd. <https://c-c-s.jp/>

- Accelerate the realization of a healthy childrearing environment through a capital and business alliance with First-Ascent Inc.*2



*2 A company that creates new services to enrich the childrearing environment with cutting-edge technology utilizing AI and IoT

- "Tebura Touen", which is a disposable diaper subscription service for nursery schools, can reduce the burden on parents and nursery teachers and infection risk



4,600+ across 47 prefectures (as of end of January 2024)

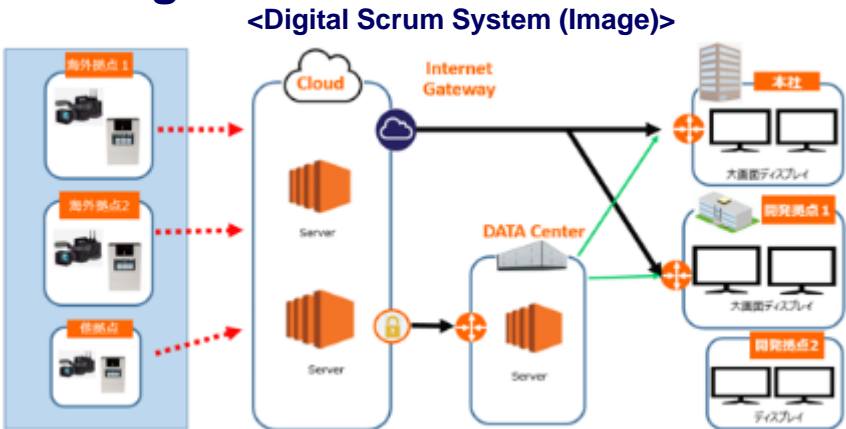
➤ Evolved value transmission through digital measures outside the store before visiting stores



➤ “Shop search system” can help find shops carrying products to improve customer satisfaction



➤ Developed “Digital Scrum System” to discover customer insights



➤ Strengthening “Direct Shop” system to meet various needs of customers in all categories



ユニ・チャームダイレクトショップのサービス		
POINT 1 /  メーカー直販で安心！	POINT 2 /  いつもの商品が手に入る！	POINT 3 /  うれしい特典も！
POINT 4 /  まとめて3,980円以上 お買い上げで送料無料	POINT 5 /  平日午後3時までの ご注文で翌出荷日に発送	POINT 6 /  便利なクレジットカード 代金引換も対応 <small>一部商品にはご利用いただけず 決済手段に制限があります</small>

➤ State-of-the-art smart factory (Kyushu) utilizing a variety of self-operating machines and IoT



Industrial Robot



SCADA※1



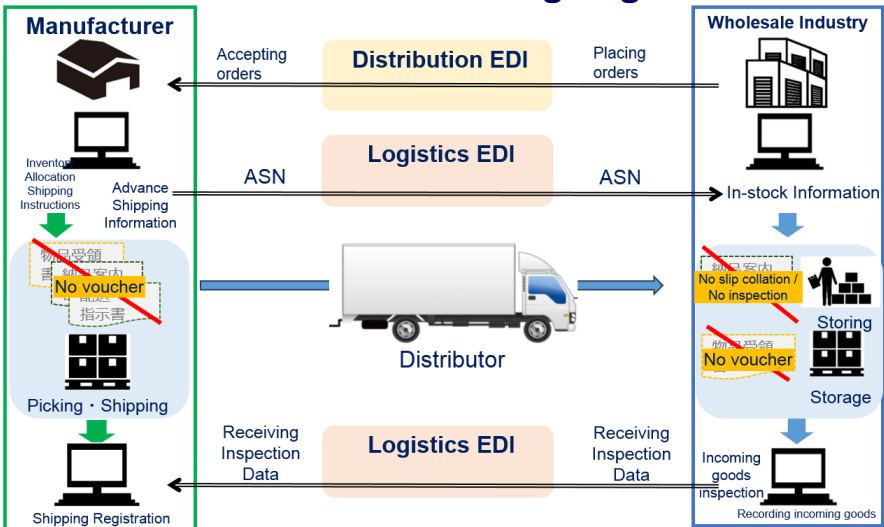
Smart Logistics



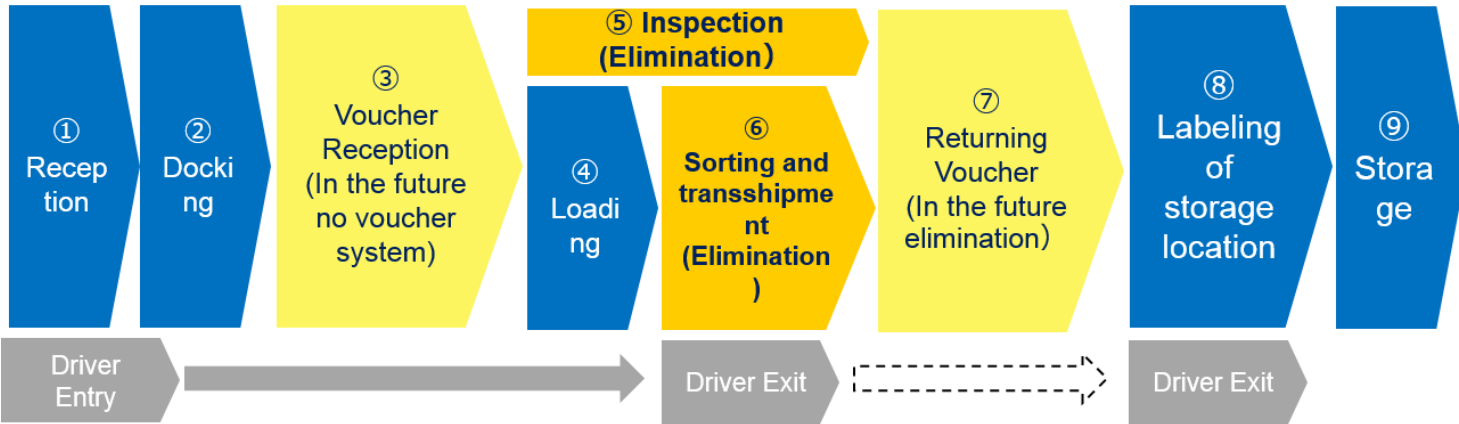
*1 Abbreviation for Supervisory Control And Data Acquisition

➤ Promoting collaboration for logistics digitalization and efficiency through ASN*3 distribution using logistics EDI*2

Business Reforms Utilizing Logistics EDI



Business model that eliminates inspection using ASN



Overseas initiatives utilizing digital technology



➤ Pet growth recording tool + O2O pet clinic introduction platform “Pet note”



➤ An app “Sofy Girl Talk” that supports women's physiological knowledge and worries

➤ “Mamypoko Club” that realizes a unique customer experience for baby diapers



Evaluation by external organizations and coordination (FY 2023 1st Half Year)

February	<ul style="list-style-type: none">✓ Received the 8th ACAP “Consumer-Oriented Activity Award”✓ Received the “Minister of State for Special Missions Award” in 2022 Consumer-oriented Management Excellence Awards.✓ Selected for “2023 Bloomberg Gender-Equality Index” 3 consecutive years
March	<ul style="list-style-type: none">✓ Recognized as a "Sports Yell Company"✓ Certified as a “Health and Productivity Management Outstanding Organization (large enterprise category)”✓ Selected for “Human Capital Leaders 2022”✓ Received the “Kagawa Prefecture Governor’s Award” for 2022 Everyone's Child Rearing Support Team Grand Prize✓ Selected for “CDP 2022 Supplier Engagement Leader”
April	<ul style="list-style-type: none">✓ Selected as “All-Star” in Institutional Investor “2023 Japan Executive Team Rankings”✓ Won Best award for “Learning Division” of “LinkedIn Talent Awards 2022”
May	<ul style="list-style-type: none">✓ Received “Award of Excellence” at the 50th Environmental Awards✓ Selected as “2023 Noteworthy DX Company” in “Digital Transformation Stock (DX Stock) 2023”

July	<ul style="list-style-type: none"> ✓ Selected as a constituent of “SOMPO Sustainability Index” for twelve years in a row ✓ Received the Excellence Award of “Supply Chain Innovation Awards 2023” ✓ Selected as a constituent of all six ESG investment indices used by GPIF
September	<ul style="list-style-type: none"> ✓ Received “Award of Excellence” at the 6th EcoPro Award
October	<ul style="list-style-type: none"> ✓ Received the “Porter Prize 2023” sponsored by the Hitotsubashi University Department of International Corporate Strategy, Graduate School of Business Administration ✓ Acquired certification from Indonesia National Museum of Records for “MamyPoko Royal Soft Organic Cotton” which is manufactured and sold by Indonesian subsidiary PT Uni-Charm Indonesia Tbk
December	<ul style="list-style-type: none"> ✓ Certified as “Best Workplace” in “D&I AWARD 2023”
2024 January	<ul style="list-style-type: none"> ✓ Received Grand Prize at “Nikkei Excellent Products and Services Awards 2023” with “Fresh Pro” launched by Cosmotec ✓ Certified as “Reiwa 5th year (2023) Tokyo Sports Promotion Company” by Tokyo Metropolitan Government

Index inclusion and evaluation



2023 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

* Disclaimer is posted on the following website
<https://www.unicharm.co.jp/en/company/news/2023/0725-02.html>



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Coordination with external organizations

WE SUPPORT



地方創生SDGs
官民連携
プラットフォーム



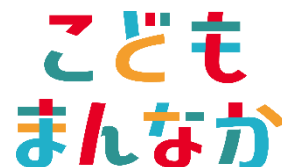
私たちは持続可能な開発目標 (SDGs) を支援しています。



In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
UN Global Compact Office



Collaboration with external organizations

Local community contribution activities at Ehime Prefecture, the birthplace of Unicharm



- Support activities for children who are responsible for the future of the region through corporate hometown tax payments



Purchase children's books for Shikokuchuo City Digital Library

Next Generation Baseball Player Development Project

- As a “partner for realizing a cohesive society”, we will contribute to regional revitalization through sports business together with FC Imabari players, staff, and supporters



- Sponsoring “Unicharm Trophy 2023 Ehime International Open”, officially authorized by Men's Professional Tennis Association



Evaluation by external organizations and coordination with them

Selected in 6 ESG investment indices of stock composites adopted by GPIF

Integrated Index



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

2023 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

E

S

G

Thematic Index



2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

MORNINGSTAR GenDi J

Japan ex-REIT Gender Diversity
Tilt Index

TOP CONSTITUENT 2023

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Other ESG Index



FTSE4Good



		2019	2020	2021	2022	2023
CDP SCORES	Climate change	B	A-	A-	A-	A-
	Forest (timber)	B	B-	B	B	A
	Water security	B-	B-	B	B	A
MSCI ESG RATINGS		BBB 5.3	A 5.3	BBB 4.7	A 5.1	AA 5.7
FTSE ESG RATINGS		3.5	3.7	3.9	4.0	4.2

“Kyo-sei Life Vision 2030” Examples of initiatives related to important themes



Examples of initiatives	Results
“Urine incontinence care/excretion care” course	Urine incontinence care: 176 times in total (as of the end of December 2023)
	Excretion care: 329 times in total (as of the end of December 2023)
Number of users for “Adult Diaper Counseling”	Approx. 29,000 people (as of the end of December 2023)
Number of times the video “Menstruation Study for Everyone” was provided https://www.sofy.jp/ja/campaign/minnanoseirikensyu.html	Approx. 430 companies and organizations (as of the end of December 2023)
Number of users for “Sofy Girl” (menstruation management app) https://www.sofy.jp/ja/app/sofygirl.html Number of users for “Sofy” (menstruation management app) https://www.sofy.jp/ja/app/sofy.html	Approx. 2,000,000 people in total (as of the end of December 2023)
Number of views for TikTok “Sarakeda-so (Let’s talk it out room)” https://www.tiktok.com/@sofy_official_7days/	Approx. 21 million views (as of the end of December 2023)
Education of first menstruation/period (including online)	India: approx. 580,000 people (as of the end of December 2023)
Education of first menstruation/period (mother-daughter learning sessions)	India: approx. 345 sessions, about 10,400 mother-daughter groups (as of the end of December 2023)
Number of registrations for first menstruation site “Charm Girls Talk”	Indonesia: approx.. 82,000 people (as of the end of December 2023)
Number of registered members for “Team moony point program” https://jp.moony.com/ja/apps/moonypoint.html	Cumulative total of approx. 1,940,000 members (as of the end of December 2023)
Nursery schools using “Tebura-touen (service delivering diapers to nursery schools so that parents don’t have to bring diapers)”	4,600+ across 47 prefectures (as of the end of January 2024)
Number of registrations with “DOQAT”, Q&A service for pets https://doqat.jp/	Approx. 44,000 people (as of the end of December 2023)



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