

Message from the President & CEO

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Takahisa Takahara

President & CEO

We aim to realize a cohesive society by delivering value unique to Unicharm.

Unicharm's New Corporate Brand Essence: "Love Your Possibilities"

In February 2024, Unicharm unveiled its new corporate brand essence: "Love Your Possibilities." It expresses our commitment to realizing a cohesive society in which all people are united and support one another, believing in their unlimited untapped potential and demonstrating this potential with a spirit of compassion and altruism.

As a manufacturer that specializes in nonwoven fabric and absorbent material processing and molding technologies, Unicharm delivers unique value through such products as sanitary pads and disposable diapers, as well as related services, dispelling negativity such as discomfort, inconvenience, and unsanitary conditions, and allowing people to experience pleasure and the joy of living and to fulfill their dreams. However, I believe in the age of the 100-year lifespan, we must provide products and services that enrich the lives of each customer, or in other words, maximize their lifetime value. The organic coordination of our brands, such as *Sofy*, *Lifree*, and *MamyPoko*, is essential to this end, inspiring the creation of our new corporate brand essence: "Love Your Possibilities."

Our Commitment to Medium- to Long-Term ESG Goals Will Lead to Realization of a Cohesive Society

That spirit of altruism and the “possibilities” in our essence naturally encompass society and the natural environment. This is because our business activities, such as ensuring the sustainability of value chains and meeting customer needs, are all about addressing social and environmental issues. Embodying this conviction is Kyo-sei Life Vision 2030—For a Diverse, Inclusive, and Sustainable World—and its medium- to long-term environmental, social, and governance (ESG) goals that we have worked to achieve since October 2020. Kyo-sei Life Vision 2030 consists of 20 key themes, indicators, and targets spanning the four themes of safeguarding the well-being of individuals, safeguarding the well-being of society, safeguarding the well-being of our planet, and the Unicharm Principles. Our employees’ proactiveness in achieving these targets through their daily business activities will spur the resolution of environmental and social issues and the realization of a cohesive society.

Here are some specific examples of the initiatives we are taking under Kyo-sei Life Vision 2030. On the theme of safeguarding the well-being of society, for several years we have been developing products and services in support of those trying to conceive*1 in response to the global issue of declining birthrates. One such product is *Sofy Active Pregnancy Monitorable Pantyliners*, released in November 2023, for women who wish to become pregnant but are unsure of when best to conceive. The product enables users to find out when they are most likely to conceive by monitoring their secretions. Development took around seven years from concept to market, and we believe it will be of great social significance in the sense that it will fulfill the desires of many customers.

With respect to safeguarding the well-being of our planet, I would like to talk briefly about the Recycle for the Future (ReFF) Project, in which we promote the horizontal recycling of disposable diapers. Disposable diapers, a core product of Unicharm, are typically incinerated after use due to hygiene issues. This however poses social issues such as increased waste, and environmental issues such as CO₂ emissions generated from incineration. We engage in the business of recycling used disposable diapers through collective efforts with Shibushi City (since fiscal

2016) and Osaki Town in Kagoshima Prefecture (since fiscal 2018). These efforts led to the development and release of *Lifree ReFF Side Leak Prevention Tape-on (Medium Size)* disposable adult diapers—made partially from recycled pulp—in May 2022. In October 2023, we also introduced small and large sizes of these diapers, which are used at hospitals and nursing care facilities in the Kyushu region. In addition to collecting used diapers from municipalities and nursing care facilities, we plan to start collecting them from childcare facilities that subscribe to our Hands-Free Commute*2 disposable diaper service.

In these ways, we are steadily implementing a system to efficiently collect used disposable diapers, which is gradually showing results. Our ultimate goal, however, is to realize a society in which recycling diapers is simply a way of life, and we believe we are still only halfway there. Establishing a new life cycle for disposable diapers will entail collaborative efforts with municipalities and other companies and organizations. It will also involve gaining a proper understanding of recycled products from all consumers. We will continue to work together with our various stakeholders to implement the ReFF Project in society.

*1 Refers to acquiring knowledge, discussing with family members, monitoring one's physical condition, and receiving fertility treatment, among other activities people often engage in when trying to conceive a child

*2 A subscription-based service that alleviates the burden on parents by eliminating the need to prepare disposable diapers and baby wipes at home or carry excess baggage to school, as well as on childcare workers by allowing them to monitor the supply of disposable diapers and baby wipes at childcare facilities

P011 Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

P070 Sofy Active Pregnancy Monitorable Pantyliners (Japan)

P073 Providing Apps and Information That Help Women Address Concerns and Changes in Physical Condition and Menstruation

P025 ReFF Project Targeting the Realization of a Recycling-Based Society

Our Human Resources Are the Basis for Maximizing Corporate Value

Our human resources are the key to achieving Kyo-sei Life Vision 2030 and the basis for maximizing corporate value. Management with resonance, Unicharm's unique management model, is a system that encourages management and frontline employees to act on their own initiative by learning about and drawing on each other's perspectives in their respective duties. ESG targets were incorporated into the performance assessments of all employees in January 2023 with the aim of encouraging each individual to independently and proactively achieve the goals of Kyo-sei Life Vision 2030. I believe that having each employee think and act on their own initiative toward the goals will enable the delivery of unique value tailored to the characteristics of each country and region.

All of us at the Unicharm Group remain firmly committed to realizing a cohesive society by believing in our potential, demonstrating it to the fullest with a spirit of altruism, and addressing the issues of society and the environment.

May 2024

Takahisa Takahara

President & CEO
Unicharm Corporation