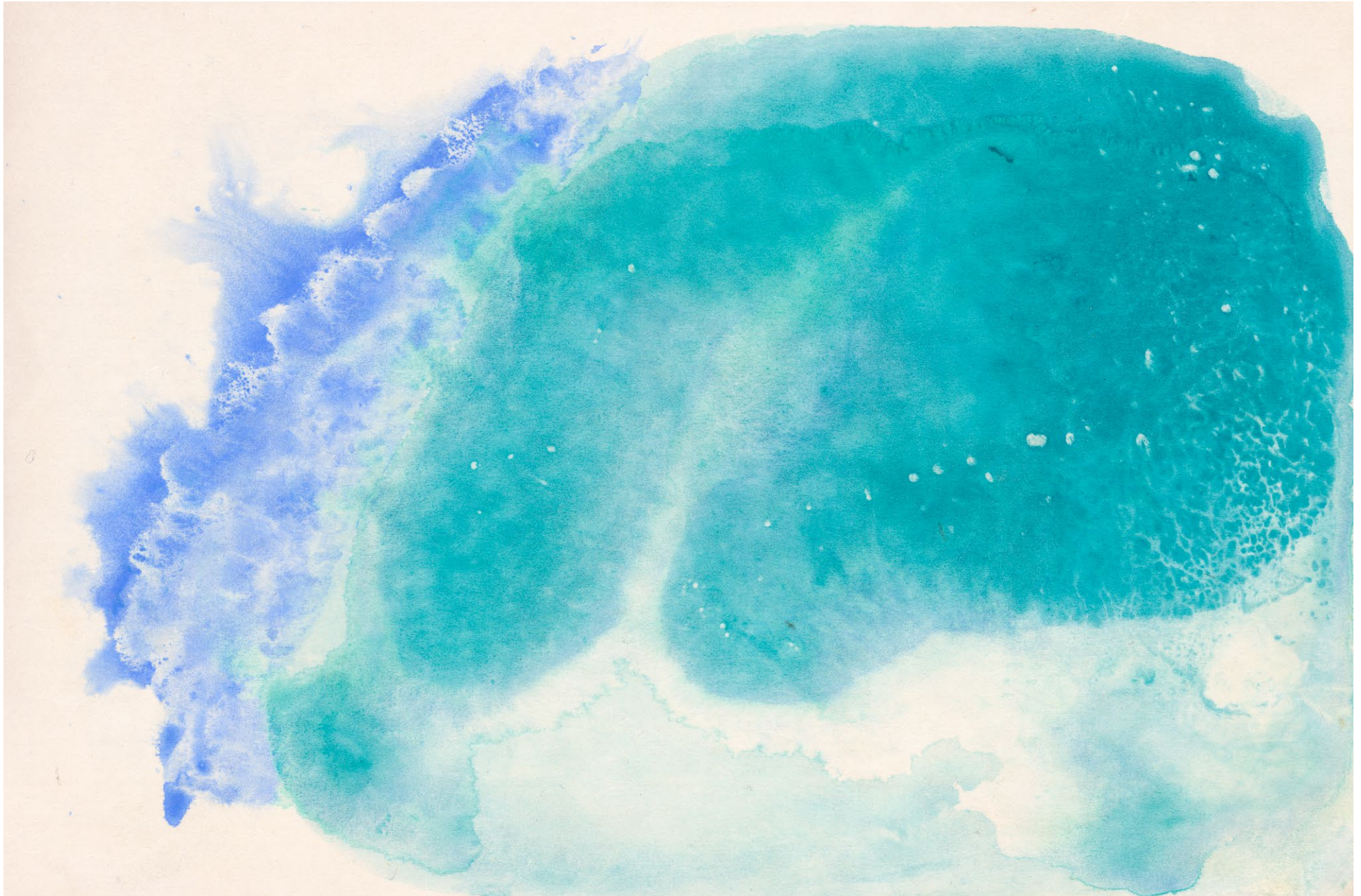


Unicharm Group

Sustainability Report 2026



CONTENTS

- 2 Editorial Policy / Contents
- 3 Overview of the Unicharm Group

Introduction

- 4 The Unicharm Way
- 5 Message from the President & CEO

Sustainability Management

- 7 Message from the Head of the ESG Division
- 8 Management Structure

ESG Goals

- 10 Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)
- 14 Environmental Targets 2030 (Medium- to Long-Term ESG Goals)
- 16 Kyo-sei Life Vision 2035 (Medium- to Long-Term ESG Goals)
- 19 Kyo-sei Life Vision 2035: Contributions to the SDGs

Environment

- 21 Environmental Management
 - 21 Basic Environmental Policy
- 26 Recycling-Oriented Society
 - 26 Circular Recycling of Used Disposable Diapers
 - 29 Plastic Waste Reduction Measures
- 35 Zero-Carbon Society
 - 35 Disclosure Based on the TCFD Recommendations
 - 39 Roadmap to Realizing a Zero-Carbon Society
 - 40 Climate Change
 - 45 GHG Emissions Visualization Project
- 46 Biodiversity
 - 46 Biodiversity Conservation
 - 52 Reducing Waste and Preventing Pollution
- 57 Water Recycling-Oriented Society
 - 57 Water Resources

Society

- 62 Innovation Management
 - 62 Product Development
 - 67 Digital Transformation (DX)
 - 71 Intellectual Property
- 73 Customer Satisfaction
 - 73 Responsibility to Our Customers (Consumers)
- 76 Quality
 - 76 Quality Assurance
- 80 Human Rights
 - 80 Respect for Human Rights
- 84 Human Resources
 - 84 Development and Utilization of Human Resources
 - 92 Diversity and Inclusion
 - 97 Employee Health
 - 102 Occupational Safety and Health
- 105 Supply Chain Management
 - 105 Sustainable Procurement
- 111 Communities
 - 111 Social Contribution Activities

Governance

- 118 Corporate Governance
 - 118 Corporate Governance
- 128 Compliance
 - 128 Fair Business Practices
 - 132 Tax Compliance
- 133 Risk Management
 - 133 Risk Management

Data

- 142 Environmental Data
- 150 Social Data
- 155 Governance Data
- 159 Reference Chart for Key Themes of Kyo-sei Life Vision 2035
- 160 External Evaluations
- 161 Independent Assurance Report

About the Cover

In keeping with its corporate brand essence "Love Your Possibilities," Unicharm supports each individual in various ways so that they can unlock their full potential. Since 2016 and for the 11th year in a row, we have supported Paralymp Art in its continuous efforts to foster the social participation and financial independence of people with disabilities and have featured works by artists with disabilities on the cover of *Sustainability Report 2026* and *Integrated Report 2026*.



Title *The Sea*

Artist Hiroko Kudo

Artist's Message

The finished piece resembled the sea, which is why I named it *The Sea*. The sea is delicate and profound, impossible to grasp, yet it embraces and captivates us.

If you feel something from this picture, it may not just be the sea but the light, the wind, the sky, and the many forms of life that accompany it. I hope this picture allows you to spend a moment as if you were looking out peacefully, gently connecting with the sea that extends from within your heart.

Editorial Policy / Contents

2-2,2-3,2-28

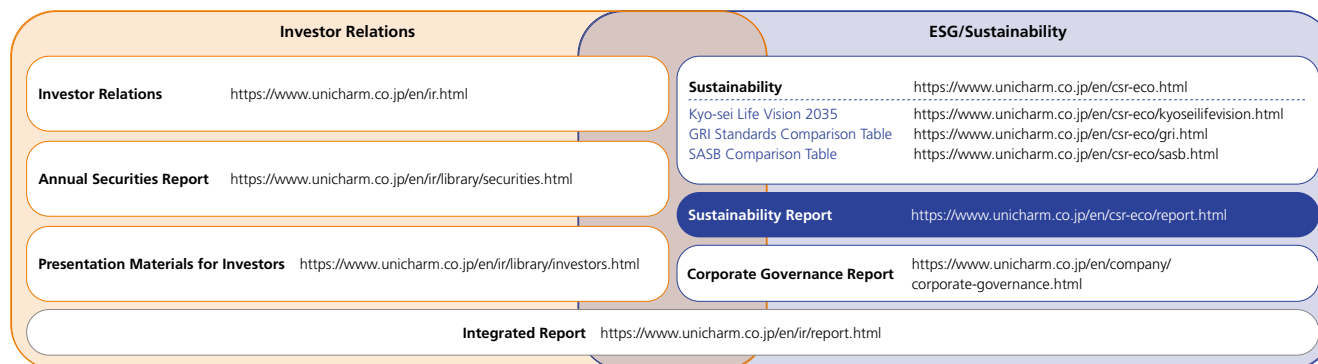
Editorial Policy

Preparation of Sustainability Report 2026

Sustainability Report 2026 describes Unicharm's various initiatives for contributing to sustainability while providing detailed data, centered on its fiscal 2025 performance under Kyo-sei Life Vision 2030 and Environmental Targets 2030, both introduced in 2020. To further enhance the transparency of our ESG disclosure, we focused on heightening the comprehensiveness and expertise of our information, going beyond that of the fiscal 2025 edition. In preparing this report, we referred to international guidelines such as the GRI Standards and the United Nations (UN) Global Compact and endeavored to deliver information that addresses the needs of global society. We have made steady progress under both Kyo-sei Life Vision 2030 and Environmental Targets 2030 over the five years since their introduction. In October 2025, Unicharm announced a new medium- to long-term ESG initiative, Kyo-sei Life Vision 2035, which integrates the two frameworks, and began implementing the relevant initiatives in fiscal 2026.

Going forward, Unicharm remains committed to further enhancing the content of its sustainability report in order to meet the expectations of stakeholders. We hope you take the time to also read *Integrated Report 2026* in conjunction with this publication.

Information Disclosure System



Contents

Coverage

The scope of *Sustainability Report 2026* covers the Unicharm Group, including Unicharm Corporation and its domestic and overseas consolidated subsidiaries, but also contains information on certain non-consolidated subsidiaries and affiliated companies. In the report, "Unicharm" or "the Company" refers to "the Unicharm Group." Company names are stated individually as needed to specify scope. Please refer below for the scope of environmental data aggregation.

P.142 Environmental Data > Environmental Management > Sites for which data has been compiled

Intended Audience

All Unicharm stakeholders inclusive of customers, shareholders, investors, business partners, and employees

Reporting Period

January 1, 2025 to December 31, 2025 (the report focuses on results from 2025 and includes some of the latest information from 2026)

Date of Issue

July 2026

Next issue scheduled for July 2027 (previous issue: July 2025)

Reference

"Sustainability" section of Unicharm's corporate website

Independent Assurance

Unicharm has received independent assurance from KPMG AZSA Sustainability Co., Ltd. for the environmental information contained in this report. Environmental performance indicators that have received independent assurance are indicated with a .

P.161 Independent Assurance Report

Reference Guidelines

- GRI Standards (GRI disclosure numbers have been noted for each corresponding disclosure item)
- Environmental Reporting Guidelines 2018 of the Ministry of the Environment
- TCFD Recommendations
- SASB Standards

United Nations (UN) Global Compact

Unicharm supports the Ten Principles of the UN Global Compact and has participated in this initiative since May 2006.



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.
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.

The Ten Principles of the UN Global Compact

Overview of the Unicharm Group

2-1,2-2,2-7

Company Profile

As of December 31, 2025

Corporate Name	Unicharm Corporation
Date of Establishment	February 10, 1961
Capital	¥15,993 million
No. of Shares Issued	1,862,502,957
Head Office	Sumitomo Fudosan Tokyo Mita Garden Tower, 3-5-19, Mita, Minato-ku, Tokyo, Japan
Registered Company Office	182 Shimobun, Kinsei-cho, Shikokuchuo City, Ehime, Japan
No. of Employees	16,542
No. of Production Bases	41 factories (Japan: 17, Asia (excluding Japan): 20, Others: 4)
Listed Exchange	Prime Market of the Tokyo Stock Exchange
Major Business Operations	Pet care products Wellness care products Feminine care products Baby and child care products Commercial-use food packaging materials
URL	https://www.unicharm.co.jp/en/home.html

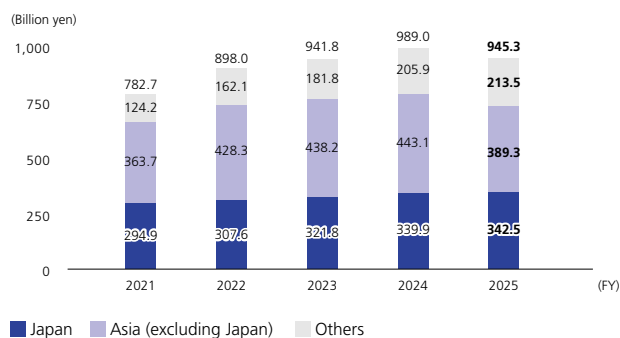
Primary Consolidated Subsidiaries and Affiliates

As of December 31, 2025

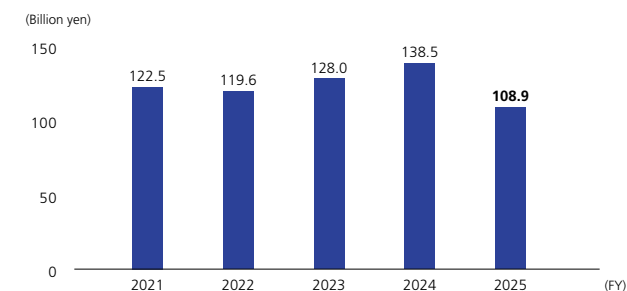
Japan	Unicharm Products Co., Ltd. Unicharm Kokko Nonwoven Co., Ltd. Cosmotec Corporation Unicare Corporation Unicharm Molnlycke K.K. Peparlet Co., Ltd.
Asia (Excluding Japan)	UNITED CHARM COMPANY LTD. Uni.Charm (Thailand) Co., Ltd. LG Unicharm Co., Ltd. Unicharm Consumer Products (China) Co., Ltd. PT UNI-CHARM INDONESIA TBK Unicharm India Private Limited Diana Unicharm Joint Stock Company DSG International (Thailand) Public Company Limited Unicharm Australasia Pty Ltd
Others	Unicharm Gulf Hygienic Industries Ltd. Unicharm Middle East & North Africa Hygienic Industries S.A.E. UNICHARM DO BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS DE HIGIENE LTDA. The Hartz Mountain Corporation
Total	50 subsidiaries and affiliates

Primary Management Indicators

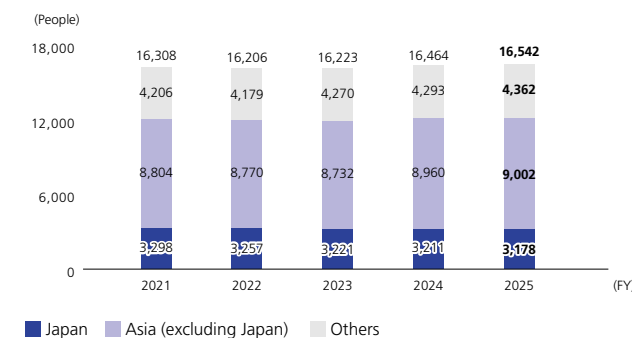
Consolidated Net Sales



Consolidated Core Operating Income



No. of Group Employees



The Unicharm Way

2-6

Unicharm has defined its purpose (reason for existence) as contributing to the realization of the Sustainable Development Goals (SDGs). To realize this purpose by means of each employee thinking and acting on their own, we have identified the three key components of mission (what we want to achieve), vision (how we want to achieve), and values (what we must focus on in order to achieve), and are working to bring these to fruition.

Purpose: Our Reason for Existence

The realization of the SDGs

Mission: What We Want to Achieve

Realizing a Cohesive Society (Social Inclusion)

At Unicharm, we believe in a cohesive society (social inclusion) that ensures each person is independent while supporting others in a way that allows just the right sense of distance, enabling everyone to spend their lives in the way they so wish regardless of their situation, including vulnerable members of society and those who are at a disadvantage either temporarily or for an extended period due to aging, illness, childbirth, menstruation, or other factors.

Vision: How We Want to Achieve

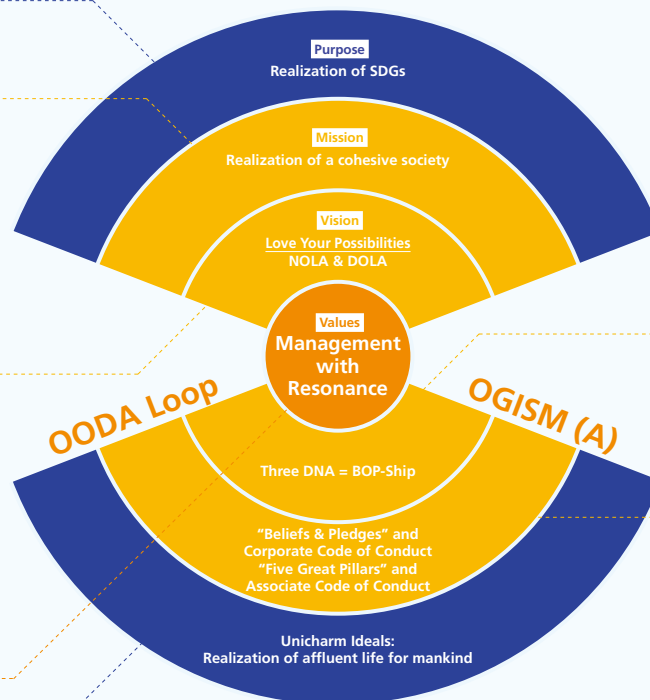
Realizing "Love Your Possibilities" and "NOLA & DOLA"

"Love Your Possibilities" is our corporate brand essence, which incorporates our hope of providing all people, from newborns to the elderly, with products and services that provide mental and physical support through gentle care so that they may be free of their burdens and can fulfill their dreams, as depicted in "NOLA & DOLA" (Necessity of Life with Activities & Dreams of Life with Activities), which has been our vision up to now.

Values: What We Must Focus on in Order to Achieve

Promoting Management with Resonance

Management with resonance is a unified management model promoted by all of Unicharm's employees. It serves as a framework for senior management and frontline employees to work as one toward a shared goal. All Unicharm employees aim to realize the shared goal of creating a cohesive society by aligning their direction while constantly thinking and acting on their own initiative.



Unicharm Ideals

- We contribute to creating a better quality of life for everyone by offering only the finest products and services to markets and customers, both in Japan and abroad.
- We strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities.
- 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.*

* The Five Great Pillars: (1) Founder's spirit, (2) Enterprising spirit, (3) Spirit of simplicity and fortitude, (4) Spirit of collaboration, and (5) Spirit of respecting people

(Established: 1974)

Three Aspects of Our DNA = Best Practiceship, Ownership, and Partnership

The Three Aspects of Our DNA, a corporate culture and spirit that has been seamlessly passed down since our founding, represents the mindset and behavioral traits of Unicharm Group employees. It was revised as Best Practiceship, Ownership, and Partnership (BOP-Ship) to encourage better understanding of our diverse employees around the world.

Three Aspects of Our DNA

Create value through personal transformation

Changing yourself and achieving personal growth to create new value

Find reason within ourselves

Growing through learning from failures

Maintain our No. 1 position through continued and dedicated services

Always providing our customers with the highest satisfaction

BOP-Ship

Best Practiceship

Accumulating best practices, abandoning past resolutions, constantly making updates, and incorporating best practices with an emphasis on speed

Ownership

Recognizing everything as "our own matter" and thinking and acting on our own initiative to overcome difficulties

Partnership

Always respecting collaboration with peers with a spirit of altruism

Beliefs & Pledges and Corporate Code of Conduct

- ◆ Pledge to our customers
We pledge to earn the full support of customers by always doing everything we can.
- ◆ Pledge to our shareholders
We pledge to distribute industry-leading returns to shareholders.
- ◆ Pledge to business partners
We pledge to achieve mutual growth by maintaining fair and equitable relationships.
- ◆ Pledge to employees
We pledge to enable the happiness of employees and their family members by filling each of them with confidence and pride.
- ◆ Pledge to society
We pledge to contribute to the economic and emotional fulfillment of all people and all of society through our corporate activities.

(Established: 1999)

Five Great Pillars and Associate Code of Conduct

- ◆ Creativity and innovation
We will respect the creation of new social value and maintain a spirit that always seeks out innovation.
- ◆ Ownership
We will follow in the footsteps of our founder and strive to identify and solve issues from a Companywide perspective to achieve our management targets.
- ◆ Challenge
We will continue to transform our abilities without fear of failure and maintain a positive attitude based on our belief in the capacity of challenge to tap into unlimited potential.
- ◆ Leadership
We will become leaders who are capable of motivating people with our own determination by clearly showing the way for the organization to move forward.
- ◆ Fair business practice
We will carry out fair corporate activities that combine the spirit of respecting humanity and dignity with high ethical standards.

(Established: 1999)

Message from the President & CEO

2-22

Realizing a Cohesive Society and Evolving into a Lifetime Partner



Takahisa Takahara

President & CEO
Unicharm Corporation

The “3Rs” of Our Corporate Brand Essence “Love Your Possibilities”

Unicharm has launched Project Renaissance, our 13th Medium-Term Management Plan covering the five-year period from fiscal 2026—the year of our 65th anniversary—to fiscal 2030. Project Renaissance is based on the “3Rs” of “renaissance,” “rebirth,” and “resonance.” “Renaissance” represents a return to human-centered management through the integration of AI and human intuition. “Rebirth” embodies our aim to go beyond manufacturing and dominate emerging markets. “Resonance” represents our commitment to maximize co-created value with customers and society. In other words, Project Renaissance is the embodiment of our corporate brand essence “Love Your Possibilities.” Under the new medium-term management plan, we are committed to steadily achieving net sales of ¥1.5 trillion, core operating income rate of 17%, and ROE of 17% by fiscal 2030.

Pursuing Absolute Value Through Kyo-sei Life Vision 2035

Under Project Renaissance, we will not only aim to increase relative value, which compares net sales, operating income, market share, and other values to those of similar companies, but also pursue absolute value—the kind of value that makes customers feel that Unicharm products and services are an essential part of their lives.

In October 2020, we announced our medium- to long-term ESG goals, Kyo-sei Life Vision 2030—For a Diverse, Inclusive, and Sustainable World—and have since worked to achieve absolute value that is unique to Unicharm by helping resolve social and environmental issues through our business activities. While the details of these efforts are provided in the subsequent sections of this report, I am pleased to say that we achieved meaningful results over the five-year period through fiscal 2025.

To further accelerate our progress, we have reviewed our initiatives to date, and in light of changes in the business environment, revised key themes, indicators, and targets for the formulation of Kyo-sei Life Vision 2035, which we announced in October 2025. We will actively proceed with Kyo-sei Life Vision 2035 from fiscal 2026, in pursuit of even greater absolute value.

P.16 Kyo-sei Life Vision 2035 (Medium- to Long-Term ESG Goals)

Contributing to the Social Implementation of a Circular Economy Through RefF

The backbone of our environmental initiatives under Kyo-sei Life Vision 2035 and the key to creating absolute value is our *RefF* horizontal recycling project for used disposable diapers.

This project uses our proprietary ozone treatment technology to restore the pulp recovered from used disposable diapers to a quality equivalent to unused raw materials. It represents a major initiative to shift from the conventional “use and dispose” style to a new social custom of “use and recycle.” Needless to say, we cannot carry out this initiative alone. Since 2016, Unicharm has been working together with Shibushi City and Osaki Town, Kagoshima Prefecture, as well as So Recycle Center LLC, a company contracted by both municipalities to handle waste disposal. In 2022, we launched *Lifree Side Leak Prevention Tape-on RefF*, disposable diapers that incorporate recycled pulp from this project as part of raw materials. In 2024, we expanded this product lineup to include baby care and pet care products.

Furthermore, this initiative is expanding outside the Company, with partner companies using the recycled material in toilet paper and shipping pallets. Going forward, we will deepen collaboration with companies in different industries and local governments with a view to realizing a society where recycling is a part of everyday life.

P.26 Circular Recycling of Used Disposable Diapers

Developing into a Company That Supports Women’s Well-Being

Unicharm aims to be a lifetime partner that connects closely with its customers throughout their lives. We believe that developing into a company that supports women’s well-being is an important first step in becoming such a partner for customers around the world.

As part of this effort, we are rapidly developing new business projects using digital transformation (DX). The menstrual and health management app *Sofy Be* developed by the Marketing by DX (MDX) Division, established in 2023, predicts menstrual cycles and hormonal changes simply by inputting menstrual dates. The app has made significant advancements, including the addition of a function that displays typical physical and emotional changes that occur during each phase of the hormonal cycle. Furthermore, data obtained through this app regarding various user concerns, such as leakage and shifting, is analyzed in detail to enhance the development of next-generation products and services.

We are rapidly introducing new services that integrate digital and physical elements, such as *Sofy Omamori Insurance Medical Support for Women*,*¹ a small-amount, short-term insurance that covers not only general illnesses and injuries, but also female-specific conditions and fertility-related activities.*²

Unicharm’s efforts to support women’s well-being are not limited to Japan and other developed countries. In the East African nation of Kenya, we collaborated with Toyota Tsusho Corporation and CFAO Kenya Limited to begin local production of sanitary pads in January 2025. Developed to meet the needs of local consumers, we offer *SOFY Long Lasting* sanitary pads at affordable prices by procuring some of the raw materials locally, enabling more women to use clean sanitary pads.

Through these initiatives, we aim to develop into a company that supports the well-being of all women throughout their lives.

*1 Insurance underwriter: Aflac Small-amount Short-term Insurance Company Limited

*2 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

P.67 *Sofy Be*

P.114 Manufacture and Sale of Sanitary Pads in Kenya (Regional Contributions)

“Renaissance”: Co-Creation with AI

The key to achieving “renaissance”—a return to human-centered management—lies in the autonomy of each employee. At Unicharm, we foster this autonomy through the Observation–Orientation–Decision–Action (OODA) Loop methodology.

With the OODA Loop methodology, we quickly grasp unexpected changes by observing current business conditions and appropriately orient ourselves to the situation and reach a decision, and then quickly take action. This cycle is repeated while constantly reviewing approaches and continuously making fundamental changes. In 2026, we plan to evolve this into OODA Loop with AI, an approach that integrates AI into the OODA Loop methodology. The data and advice generated by AI will be interpreted using human intuition and on-site wisdom, enabling more advanced decision-making.

We believe this kind of co-creation between humans and AI is what renaissance is all about in today’s world. Using OODA Loop with AI, we will further accelerate the speed at which we provide absolute value unique to Unicharm. We hope you look forward to the Unicharm Group’s continuous efforts to take on new challenges.

P.85 Operation of the OODA Loop Methodology



May 2026

Takahisa Takahara

President & CEO
Unicharm Corporation

Sustainability Management

Message from the Head of the ESG Division

2-22



Kyo-sei Life Vision 2035: Accelerating Efforts to Resolve Environmental and Social Issues While Continuing to Grow Our Business

Senior Executive Officer,
General Manager of ESG Division
Unicharm Corporation

Kenji Ueda

We at Unicharm are deeply committed to realizing a cohesive society. This cohesive society is one in which each person is independent while supporting others in a way that allows just the right sense of distance, enabling everyone to spend their lives in the way they so wish regardless of their situation, including vulnerable members of society and those who are at a disadvantage either temporarily or for an extended period due to aging, illness, childbirth, menstruation, or other factors. Aiming to steadily realize such a society, in 2020 we began promoting our medium- to long-term ESG goals Kyo-sei Life Vision 2030 and Environmental Targets 2030.

In October 2025, having advanced these initiatives for five years, we integrated them into Kyo-sei Life Vision 2035 to further accelerate our efforts. In formulating Kyo-sei Life Vision 2035, we incorporated feedback from stakeholders, including the observation that key themes overlap and the advice to make goals and results more concrete and measurable. Based on this feedback, taking into account both feasibility (ensuring rational judgments and concrete results) and effectiveness (degree of contribution to achieving results and objectives), Kyo-sei Life Vision 2035 was formulated with the following three points in mind.

1. Review of Key Themes and Quantification of Indicators and Targets

Through dialogue with internal and external stakeholders, we reviewed the priorities of material issues. As a result, in order to further enhance the connection with business activities, key themes were reorganized and revised from 20 to 16 items with more quantitative and concrete indicators and targets. For example, within the key theme “safeguarding the well-being of individuals,” which closely relates to our line of business, we established the number of users of Unicharm’s products as a new indicator and target value for 2035.

2. Integration of Kyo-sei Life Vision 2030 and Environmental Targets 2030

In formulating Kyo-sei Life Vision 2035, we integrated Environmental Targets 2030, which focuses on environmental issues, and Kyo-sei Life Vision 2030—two initiatives that were promoted in tandem until now. Specifically, in addition to addressing climate change, establishing value chains with consideration for sustainability and biodiversity, and reducing the amount of plastic materials used, we established “expanding the social implementation of *ReFF*,”* which is our proprietary circular business model, as a key theme, enabling us to integrate our resource recycling and environmental impact reduction efforts and advance them in a unified manner.

* *Recycle for the Future (ReFF)* Project: Unicharm’s unique recycling-oriented business model

3. Rapid Implementation of Groupwide Initiatives

No goal can be achieved without the genuine commitment of the employees who execute them. With this in mind, in January 2023 we incorporated ESG criteria into the performance evaluation indicators for all employees, and beginning in fiscal 2026, we will link these evaluation criteria to the key themes of Kyo-sei Life Vision 2035. We will quickly move forward in this process by linking Companywide targets to departmental targets, and further to the goals of sections, groups, and other small organizational units as well as those of each employee.

We believe that a concerted Groupwide effort to steadily implement Kyo-sei Life Vision 2035, resolve environmental and social issues through our business activities, contribute to local communities, and ensure proper governance is essential to sustainably enhancing corporate value. By appropriately disclosing the progress and results of Kyo-sei Life Vision 2035, we aim to remain a company that is trusted by all stakeholders, including customers, shareholders and investors, business partners, employees and their families, and society as a whole.

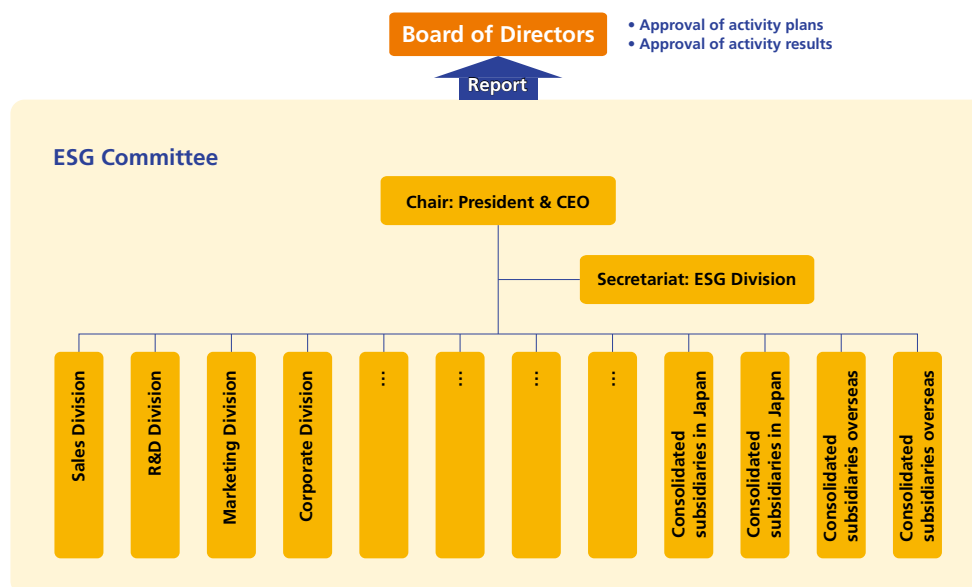
Management Structure

2-14

Sustainability Promotion System

Unicharm has established an appropriate system to steadily implement sustainability management, including the formulation and promotion of Kyo-sei Life Vision 2035. Specifically, the ESG Committee, chaired by the president & CEO, meets four times a year to deliberate and decide on all sustainability matters and governance-related policies and activities, and monitors their progress. The ESG Committee is attended not only by directors, executive officers, and other members of management, but also by those in charge of the Sales Division, R&D Division, Marketing Division, Corporate Division, and consolidated subsidiaries in Japan and overseas, and has a system in place to quickly carry out the various sustainability-related activities that are decided by its members. Matters deliberated and decided on by the ESG Committee are reported to the Board of Directors at least once a year.

► Sustainability Promotion System



► Roles and Results of the ESG Committee

Roles		- Deliberate and decide on the progress of medium- to long-term ESG goals and the medium-term management plan - Identify and address risks, opportunities, and key issues related to sustainability across the Group and deliberate and decide on information disclosure - Report matters deliberated and decided on by the ESG Committee to the Board of Directors at least once a year
Fiscal 2025 Results	No. of Meetings Held	Four (February, May, August, and November)
	Main Themes of Discussion	- Progress of Kyo-sei Life Vision 2030 medium- to long-term ESG goals, Environmental Targets 2030, and the medium-term management plan - Formulation of Kyo-sei Life Vision 2035 - GHG Emissions Visualization Project - Operation of SDGs Theme Guideline—internal guideline for contributing to sustainability - Policy and progress on production of integrated and sustainability reports - Sharing of information on external ESG assessments - Control self-assessments (CSA) and internal audit plan

► Core Themes and Categories of ESG Committee Initiatives

ISO 26000 Core Subjects	Organizational governance, human rights, labor practices, the environment, fair business practices, consumer issues, and community involvement and development	
E: Core Themes		
• Plastic waste: Reduction of plastic use • Climate change risk: Reduction of greenhouse gases and management of energy use • Water risk: Reduction of water use, and pollution prevention • Pollution and resources: Waste reduction, resource usage, recycling, and pollution prevention		• Supply chain: Supplier policy, environmental issues, and sustainable procurement of forest resources and palm oil • Biodiversity: Forest-derived raw materials and palm oil • Development of environmentally friendly products
S: Core Themes		
• Labor standards: Forbiddance of child and forced labor, prohibition of discrimination, freedom of association, collective bargaining rights, minimum wage, and prevention of harassment • Health and safety of employees • Human rights: Due diligence, children's rights, forbiddance of child labor, community employment, and complaint handling • Society: Community investment and social contribution activities		• Responsibilities to customers: Responsible advertising and marketing and customer satisfaction • Supply chain: Forbiddance of child and forced labor, prohibition of discrimination, freedom of association, collective bargaining rights, minimum wage, health and safety, due diligence, and capacity building • Product quality and safety
G: Core Themes		
• Corruption prevention: Bribery prevention, insider trading, whistleblowing system, education, and risk assessment • Corporate governance		• Companywide risk management: Environment, society, corporate governance • Compliance • Tax transparency

Communicating with Stakeholders

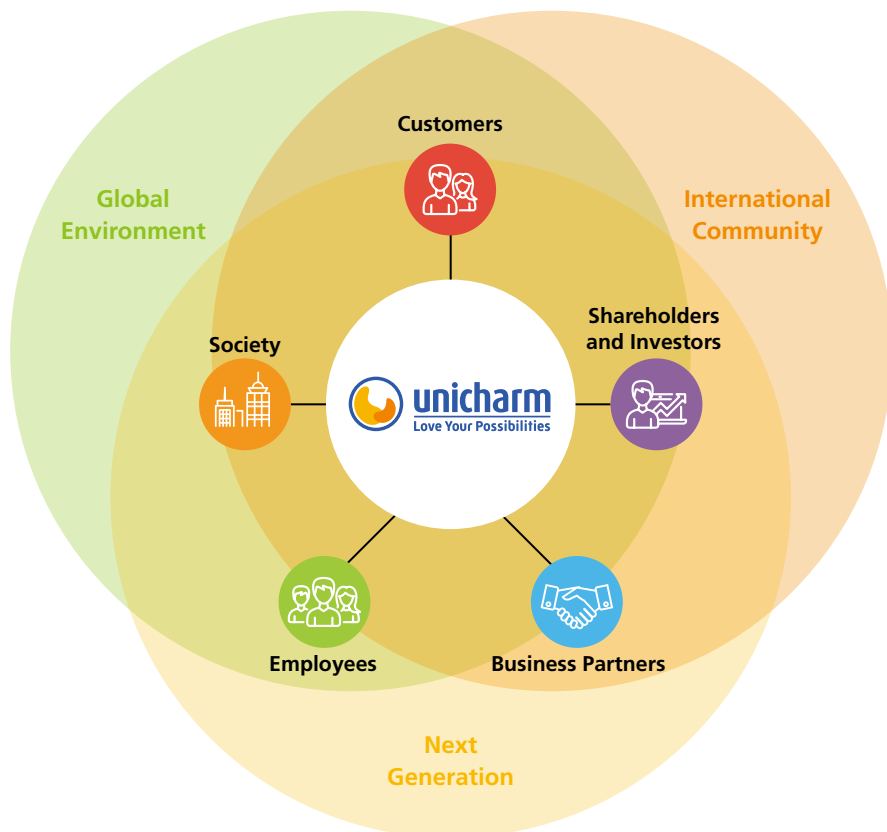
2-6, 2-29

Guided by our Beliefs & Pledges, Corporate Code of Conduct, and Multi-Stakeholder Policy, which vow that Unicharm will undertake honest corporate activities that win the fullest confidence of its customers, shareholders and investors, business partners, employees, and society, we are working to increase stakeholder engagement through a range of opportunities. In addition, as a company that provides consumables that are essential to a hygienic lifestyle, we regard the global environment, international community, and next generation as important stakeholders.

[web](#) Multi-Stakeholder Policy (in Japanese only)

https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/Unicharm_Corporation_stakeholder.pdf

► The Unicharm Group's Stakeholders



► Communicating with Stakeholders

Stakeholders	Communication Policy (Beliefs & Pledges)	Primary Communication Methods	Frequency	Example Themes
Customers	We pledge to earn the full support of customers by always doing everything we can.	Customer Communication Center, group interviews, monitoring surveys, exhibitions and seminars, websites, and various social media accounts	Regularly	Quality, safety, and functions of products and opinions and responses concerning products and services P.76 Quality Assurance P.73 Responsibility to Our Customers (Consumers)
Shareholders and Investors	We pledge to distribute industry-leading returns to shareholders.	General meeting of shareholders	Once a year	Summary explanations of financial results and sound company management P.118 Corporate Governance
		Financial results announcements and briefings	Four times a year	
		Individual dialogue with investors and overseas IR activities	Regularly	
Business Partners	We pledge to achieve mutual growth by maintaining fair and equitable relationships.	Growth strategy awareness raising program	Twice a year	Product and service proposals, supply chain management, quality, safety, and the environment P.105 Sustainable Procurement
		Exhibitions and events	Regularly	
		Medium- to long-term policy briefings	Once a year	
Employees	We pledge to enable the happiness of employees and their family members by filling each of them with confidence and pride.	Questionnaires and audits	Regularly	Compensation, health, satisfaction toward work, and introduction of programs and case studies that demonstrate respect for diversity P.84 Development and Utilization of Human Resources P.92 Diversity and Inclusion P.97 Employee Health P.102 Occupational Safety and Health
		Management with resonance practical meetings	Once a week	
		Employee awareness surveys	Once a year	
Society	We pledge to contribute to the economic and emotional fulfillment of all people and all of society through our corporate activities.	Labor-management discussions, employee counseling hotline, family day at factories, and in-house intranet and Company newsletter	Regularly	Disaster assistance, incontinence care, health promotion, health and hygiene, local hiring, and coordination through business activities P.111 Social Contribution Activities
		Activities in local communities, cooperation with governments, local authorities, NGOs/NPOs, and activities in industry associations	Regularly	

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

2-6,3-1,3-2,3-3,102-4

Positioning of Kyo-sei Life Vision 2030 Medium- to Long-Term ESG Goals in Unicharm's Value Creation

Unicharm has continued to achieve sustainable growth through its commitment to resolve social issues through its business activities and help realize a cohesive society. With our commitment to resolve the concerns of society as the centerpiece of our value creation model, in October 2020, we announced our medium- to long-term ESG goals, Kyo-sei Life Vision 2030—For a Diverse, Inclusive, and Sustainable World—(hereafter, Kyo-sei Life Vision 2030) to encourage our diverse employees across the globe to think and act on their own. Kyo-sei Life Vision 2030 was a set of indicators and targets established in pursuit of absolute value, an essential part of our value creation. It was designed so that we would play a key role in the lives of consumers and the growth of local communities by resolving environmental and social issues through our business activities.



Key Themes Based on Our Approach to Realizing a Cohesive Society

In formulating Kyo-sei Life Vision 2030, we assumed the realization of a cohesive society in 2050 and backcasted to identify the approach we should take to draw us closer to that goal. In order to evolve into a company that provides social infrastructure through which all people from newborns to the elderly and their pets can enjoy a healthy lifestyle, society, and planet by 2030, major changes must be made, such as developing marketing tactics that cater to specific needs as well as revamping and bolstering our line of products and services to expand our business globally. Moreover, to continue to protect the global environment while sustaining economic growth, we must accelerate the creation of a sustainable economy. Through this approach, we identified 20 key themes that needed to be proactively addressed, organized them into four relevant areas. For each of the four areas and 20 key themes, we established indicators and targets from the perspective of pursuing absolute value.

Realizing a Cohesive Society in 2050			
Possible Trends in 2050	Acceleration of aging society	Normalization of women's social advancement	Advancement of diversity and expansion of its concept
	Evolution of the IoT and AI	Destabilization of society due to abnormal weather and novel diseases	Diffusion of circular economy
	Socioeconomic growth in Africa	Collapse/reconstruction of supply chains due to changes in resource supply and demand	Global changes in demographic dynamics
Desirable Future in 2030 Based on Our Vision	[Society] A cohesive society where the well-being of individuals, society, and our planet is maintained in a balanced state		[Unicharm] A worldwide company that provides social infrastructure to support healthy bodies and minds for all people as well as pets, while at the same time promoting the well-being of society and our planet
Our Approach to Realizing the Desirable Future of 2030	Expansion throughout the world	Evolution of products and services	Personalization Circular economy

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

Formulation of Kyo-sei Life Vision 2030

Phase

1

Identify Material Issues

1 Extra issues

We extracted 513 social issues related to our value creation from a number of published sources and categorized them into 44 groups (ISO 26000, GRI Standards, SDGs, FTSE, MSCI, DJSI, etc.) based on four viewpoints.*

2 Internal assessment

We surveyed approximately 900 people associated with Unicharm, including members of the Board of Directors, executive officers, general managers, subsidiary presidents, and managers.

3 External assessment

We petitioned 56 organizations to participate in surveys and assess the degree of importance assigned to various issues from the external viewpoint of stakeholders, and received responses from 32 organizations.

4 Workshops with executive officers

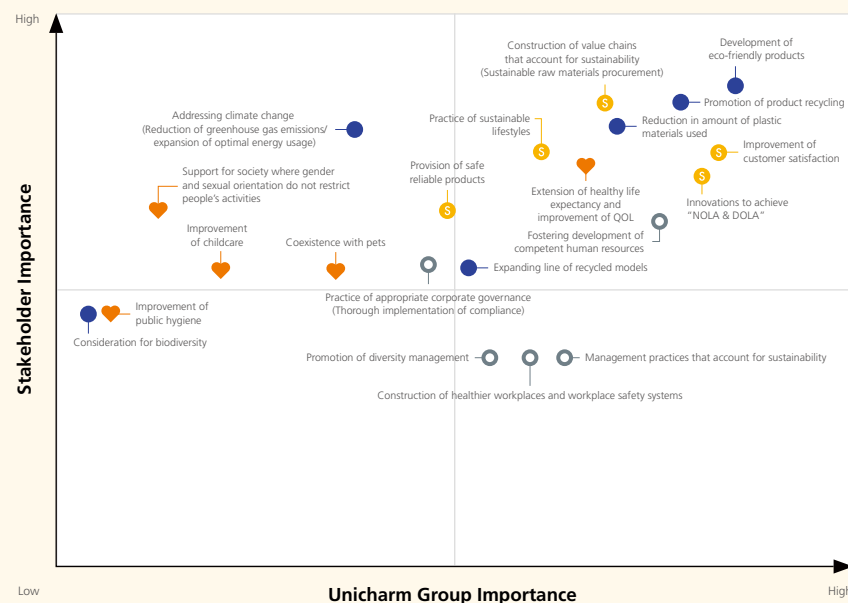
We held workshops on the Sustainable Development Goals (SDGs) and other themes, at which executives offered their opinions about what society might look like in 2050 as well as possible directions the Company should take.

5 Identify material issues

We listed the main themes underlying where we want the company to be in 2030 and various necessary approaches to achieve those goals, then we identified our material issues. The results of deliberations were subsequently approved by the ESG Committee.

* (1) Unicharm's vision of the company it aims to be, (2) Unicharm's current situation, (3) social trends in Japan and overseas, and (4) trends of other companies

Material Issues Matrix Diagram



- ♥ Safeguarding the Well-Being of Individuals
- Safeguarding the Well-Being of Society
- Safeguarding the Well-Being of Our Planet
- Unicharm Principles

Phase

2

Establish Targets for Material Issues

1 Implementation of research into ESG assessment institutions and competitor benchmarks

2 Comparison between branding strategies of our products

3 Exchange of opinions with general managers and senior managers

4 Creation of indicators and initial proposals for targets

5 Discussions with Marketing Division and R&D Division

6 Finalization of indicators and targets

7 Approval by ESG Committee

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

Safeguarding the Well-Being of Individuals

Key Themes	Indicators	Results					Key Themes in Fiscal 2025	Medium- to Long-Term Goals	
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025		Target	Target Year
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	100%	100%	100%	100%	100%	P.64 <i>Lifree Thin Light Organic Cotton Touch Pants</i> (Japan) P.64 <i>Caryn Thin Pants</i> (Vietnam) P.64 <i>Lifree Pants Long-Lasting Protection</i> (Brazil)	100%	2030
Support for 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)	100%	100%	100%	100%	100%	P.66 <i>SOFY Shorts Type Strip & Renew</i> (Thailand) P.112 Education on Menarche and Menstruation (Health) P.113 Supporting the Financial Independence of Women (Regional Contributions)	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	100%	100%	100%	100%	100%	P.65 <i>Deo-Toilet Deodorizing and Antibacterial Chip Natural Wood</i> (Japan) P.65 <i>Hartz® Comfibles® Dog Wraps</i> (United States)	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	100%	100%	100%	100%	100%	P.66 <i>MamyPoko Pants</i> (Excluding XXL Size) (Japan) P.66 <i>BabyJoy Tape-Type Diapers</i> (Saudi Arabia) P.66 <i>MamyPoko Pants Happy Day & Night</i> (Thailand)	100%	2030
Improvement of public hygiene	Percentage of products and services that contribute to activities that can reduce the spread of preventable infectious diseases (contact transmission or droplet transmission)	100%	100%	100%	100%	100%	P.64 <i>Wave All-in-One Brushed Fiber Wet Sheets for Floors</i> (Japan)	100%	2030

Safeguarding the Well-Being of Society

Key Themes	Indicators	Results					Key Themes in Fiscal 2025	Medium- to Long-Term Goals	
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025		Target	Target Year
Innovations to achieve "NOLA & DOLA"	Percentage of products and services that contribute to freedom from various burdens and finding enjoyment in life	100%	100%	100%	100%	100%	P.67 Providing Apps and Content That Cater to the Needs of Women	100%	2030
Practice of sustainable lifestyles	Percentage of products and services suitable for the SDGs Theme Guideline, an internal guideline for contributing to sustainability	100%	10.5%	5.9%	15.4%	15.6%	P.63 SDGs Theme Guideline: Internal Guideline for Contributing to Sustainability	50%	2030
Construction of value chains that account for 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	Development ongoing	Development ongoing	Development ongoing	Development ongoing	Development ongoing	P.48 Expanding the Use of Certified Pulp (PEFC- and CoC-Certified) P.49 Use of Hardwood Pulp	Double (compared with 2020)	2030
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share)	23.5%	24.0%	23.6%	23.1%	22.0%	P.73 Responsibility to Our Customers (Consumers)	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	100%	100%	100%	100%	100%	P.76 Quality Assurance	100%	2030

Safeguarding the Well-Being of Our Planet

Key Themes	Indicators	Results					Key Themes in Fiscal 2025	Medium- to Long-Term Goals	
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025		Target	Target Year
Development of eco-friendly products	No. of products and services that implement the “3Rs + 2Rs” based on Unicharm’s unique approach	Development ongoing	2	2	5	5	P.26 Circular Recycling of Used Disposable Diapers	10 or more	2030
Expanding line of recycled models	No. of disposable paper diaper recycling facilities introduced	Development ongoing	1	1	1	1	P.26 Circular Recycling of Used Disposable Diapers	10 or more	2030
Addressing climate change	Percentage of renewable energy used for business operations in total	7.3%	11.0%	22.8%	25.8%	30.6%	P.42 Switching to Renewable Electricity	100%	2030
Promotion of product recycling	Material recycling of nonwoven products using recycling resources	Development ongoing	Development ongoing	Development ongoing	Development ongoing	Development ongoing	P.53 Promotion of Recycling at Production Sites P.54 Secondary Use of Product Waste: Paper Sand	Start of commercial usage	2030
Reduction in amount of plastic materials used	Percentage of virgin plastics to total plastics	Development ongoing	Development ongoing	Development ongoing	Development ongoing	Development ongoing	P.30 Reducing Usage of Plastic in Packaging Materials P.31 Product Initiatives	Reduced by half (compared with 2020)	2030

Unicharm Principles

Key Themes	Indicators	Results					Key Themes in Fiscal 2025	Medium- to Long-Term Goals	
		Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025		Target	Target Year
Management practices that account for sustainability	Maintain and improve ratings by external evaluation agencies	—	—	—	—	—	P.160 External Evaluations	Highest level	Every year from 2026
	No. of serious human rights violations in the value chain	Zero	1 (revised)	1 (revised)	Zero	Zero	P.83 Human Rights Risk Assessment at Unicharm Group Factories P.83 Human Rights Risk Assessments of Supplier Factories	Zero	Every year
Practice of appropriate corporate governance	No. of serious compliance violations	Zero	Zero	Zero	Zero	1	P.130 Response to Serious Compliance Violations	Zero	Every year
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women	22.5%	23.2%	24.7%	25.5%	27.8%	P.92 Promotion of Women’s Empowerment	30% or more	2030
Fostering development of competent human resources	Percentage of positive answers received for the “Growth Through Work” section of the employee awareness survey	81.4% (Japan)	89.2%	88.7%	90.1%	89.8%	P.88 Employee Awareness Survey	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	7 employees (Japan)	7 employees (Japan)	9 employees (Japan)	13 employees (Japan)	19 employees (Japan)	P.101 Mental Health Measures P.101 Support for Back-to-Work and Work-Treatment Balance	Reduced by half (compared with 2020)	2030

Environmental Targets 2030 (Medium- to Long-Term ESG Goals)

3-1,3-2,3-3,101-1,101-4,102-4

Unicharm provides consumables essential to a healthy lifestyle. We also recognize the importance of addressing global environmental issues, such as resource depletion and climate change, regarding the sustainability of our business. With this in mind, in May 2020 we established our 2050 Vision, a vision of the type of company we want to be in 2050, with a focus on addressing environmental issues through our business activities, and declared Environmental Targets 2030, the goals we must achieve by 2030 in order to realize this vision.

Formulation Process

Phase 1 Identify Material Issues

1) Extraction and analysis of issues

We extracted issues based on society's awareness of marine plastic pollution, the Paris Agreement, forest resource protection, the SDGs, and other considerations, as well as stakeholder interest and the results of Eco Plan 2020 (environmental targets for fiscal 2016 to fiscal 2020). These issues were then filtered, analyzed using a materiality matrix, and identified from the perspective of their importance to the environment.

► Material Environmental Issues Identified by Unicharm Toward 2030

Stakeholder Interest	High	Effectively utilizing water resources	- Effectively utilizing forest resources - Promoting environmentally friendly products	- Responding to the problem of plastic waste polluting the oceans - Responding to climate change
		Responding to environmental air pollution (NOx/SOx)	Promoting measures to safeguard marine resources	- Promoting a recycling society - Enhancing the quality of information disclosure
		Complying with laws and regulations	Promoting efficient production activities	Appropriately managing chemical substances
		Impact on Unicharm		
		High		

2) External assessment

In April 2019, the Company's ESG Division and Marketing Division held open discussions on environmental activities with the Nature Conservation Office and four members of the World Wide Fund for Nature (WWF) Japan.

Suggestions from open discussions:

1. Company vision

- When setting and sharing environmental targets for 2030, first set out the Company's vision for where it wants to be in 2050
- Once our 2050 Vision has been established, consider what must be achieved by 2030 as part of the process of realizing this vision

2. Raising issues

In consideration of our areas of activity, three issues that Unicharm should actively work on are:

(1) Approach to plastics pollution

- Follow the 3Rs (reduce, reuse, recycle) in order to promote reduction in the quantity of materials consumed and effective use of recycled materials
- Consider adoption of the 5Rs (3Rs + refuse, replace) and begin with actions that can be taken now to make steady progress in this area
- Take proactive steps in sharing information

(2) Approach to responding to climate change

- Take proactive steps toward the creation of a renewable energy society by announcing initiatives aimed at realizing a zero-carbon society by 2050 and through activities such as lobbying the government and electric power providers

(3) Approach to sustainable procurement of forest resources

- Thoroughly examine and disclose information on the origin of forest resources, as there have been issues in certain areas even when certified
- Expand use of certified materials, based on our guidelines not only for raw materials used in our products but also for forest-derived resources used in the making of office furniture, promotional materials, and similar products

Phase 2 Establish Targets for Material Issues

We held discussions based on suggestions we received through open discussions, established measures to implement and target values for material issues, and reported to the Board of Directors upon approval by the ESG Committee.

Environmental Targets 2030:

2050 Vision and 2030 Targets

Under our 2050 Vision (the type of company we want to be in 2050), we have set the target of realizing a "three zeros" society with zero plastic waste, net zero CO₂ emissions, and zero deforestation related to the purchasing of timber, and have formulated targets for the years leading up to 2030.

► Environmental Targets 2030: 2050 Vision and 2030 Targets



Environmental Targets 2030 (Medium- to Long-Term ESG Goals)

	Implementation Items		Base Year	Fiscal 2021 Results	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	2030 Targets
Responding to the problem of plastic waste	Reducing usage of plastic in packaging materials	Per unit of sales	2019* ¹	-0.2%	-12.3%	-18.4%	-26.5%	-37.2%	-30%
	Selling products that do not contain petroleum-derived plastic	—	—	Development ongoing	Development ongoing	Development ongoing	Development ongoing	Development ongoing	10 or more stock-keeping units (SKUs) sold
	Raising awareness about proper disposal of used products	—	—	38% (6 companies)	50% (8 companies)	56% (9 companies)	63% (10 companies)	69% (11 companies)	Rolled out at all Group companies
	Eliminating the use of plastic in sales promotional items	—	—	Japan: 8.9% decrease from fiscal 2019	Japan: 81.8% decrease from fiscal 2019	Japan: 86.9% decrease from fiscal 2019 China: 76.5% decrease from fiscal 2019	Japan: 97.5% decrease from fiscal 2019 China: 93.7% decrease from fiscal 2019 Vietnam: 37.4% decrease from fiscal 2022 India: 21.7% decrease from fiscal 2023	Japan: 99.7% decrease from fiscal 2019 China: 99.8% decrease from fiscal 2019 Vietnam: 56.8% decrease from fiscal 2022 India / United States: No production	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)	+5.9%* ²	+4.1%* ²	+2.6%* ²	-17%
	Reducing CO ₂ emissions in manufacturing	Per unit of sales	2016	-26.9%	-35.2%	-55.4%* ²	-59.8%* ²	-63.6%* ²	-34%
	Reducing CO ₂ emissions associated with disposal of used products	Per unit of sales	2016	+23.7% (Japan)	-11.6% (Japan)	-35.8%* ²	-38.0%* ²	-45.4%* ²	-26%
Helping prevent deforestation (response to procurement-related issues)	Ensuring traceability to pulp and palm oil production locations (country/region)	Forest-derived raw materials* ³	—	97.0%	97.1%	99.2%	99.3%	99.6%	Completed
		Palm oil	—	Japan: 77.2%	Japan: 62.8%	Japan: 58.5%	Japan: 99.4%	Japan: 100% Overseas: 1.3% Total: 47.5%	
	Expanding the use of certified pulp (PEFC- and CoC-certified)	Percentage of certified factories* ⁴	—	52.0%	48.4%	58.6%	60.0%	76.7%	100%
		Percentage of certified materials procured	—	76.0%	72.3%	65.3%	70.3%	66.5%	
	Expanding the use of certified palm oil (RSPO-certified)* ⁵	—	—	Japan: 77.2%	Japan: 62.8%	Japan: 58.5%	Japan: 99.4%	Japan: 100% Overseas: 1.3% Total: 47.5%	100%
	Promoting the recycling of used disposable diapers	—	—	Development ongoing	2* ⁶	2	2	2	Rolled out in at least 10 municipalities

*1 We have updated our base year from fiscal 2016 to fiscal 2019 following a review in fiscal 2020. *2 Calculated based on information in the notes of Environmental Data > Environmental Management on page 142. *3 Percentage of raw materials derived from forest resources (pulp) for which traceability has been established to their place of origin (country and region), in addition to third-party certified materials. *4 Percentage of Unicharm factories that have acquired chain of custody (CoC) certification. *5 RSPO-certified palm oil based on the mass balance system. As the scope of aggregation was expanded, the method of reporting was revised in fiscal 2025. *6 In fiscal 2022, we commenced operation of recycling facilities in two municipalities, Shibushi City and Osaki Town, Kagoshima Prefecture (conducted demonstration trials on the collection of used disposable diapers in Higashiyamato City and Machida City in Tokyo in fiscal 2020 and fiscal 2021, respectively).

Fiscal 2025 Results

Responding to the Problem of Plastic Waste

Through measures such as reviewing package design, we reduced the amount of plastic used in packaging materials. The number of local subsidiaries displaying disposal methods of products after use on product packaging increased by one from fiscal 2024 to 11 total subsidiaries. With respect to sales promotional items, in addition to achieving virtually zero plastic use in Japan and China, we promoted extensive measures, such as switching materials and promoting reuse, in Vietnam, India, and the United States.

P.29 Plastic Waste Reduction Measures

Responding to Climate Change

CO₂ emissions associated with raw materials procurement increased by 2.6% (per unit of sales) compared with fiscal 2016. CO₂ emissions from manufacturing were reduced by 63.6% (per unit of sales) compared with fiscal 2016. CO₂ emissions from the disposal of used products were reduced by 45.4% (per unit of sales) compared with fiscal 2016, through the development of lighter products and other measures.

P.40 Climate Change

Helping Prevent Deforestation (Response to Procurement-Related Issues)

Regarding pulp procurement, we promoted the acquisition of chain of custody (CoC) certification under the Programme for the Endorsement of Forest Certification (PEFC) at our factories and strengthened collaboration with suppliers. In addition, the amount of palm oil used in our products overseas was included in calculations from fiscal 2025. In Japan, the transition to certified palm oil has been completed, while overseas, the plan is to switch to certified palm oil at the time of product renewals. Furthermore, we currently operate disposable diaper recycling facilities in two municipalities.

P.46 Biodiversity Conservation

Kyo-sei Life Vision 2035 (Medium- to Long-Term ESG Goals)

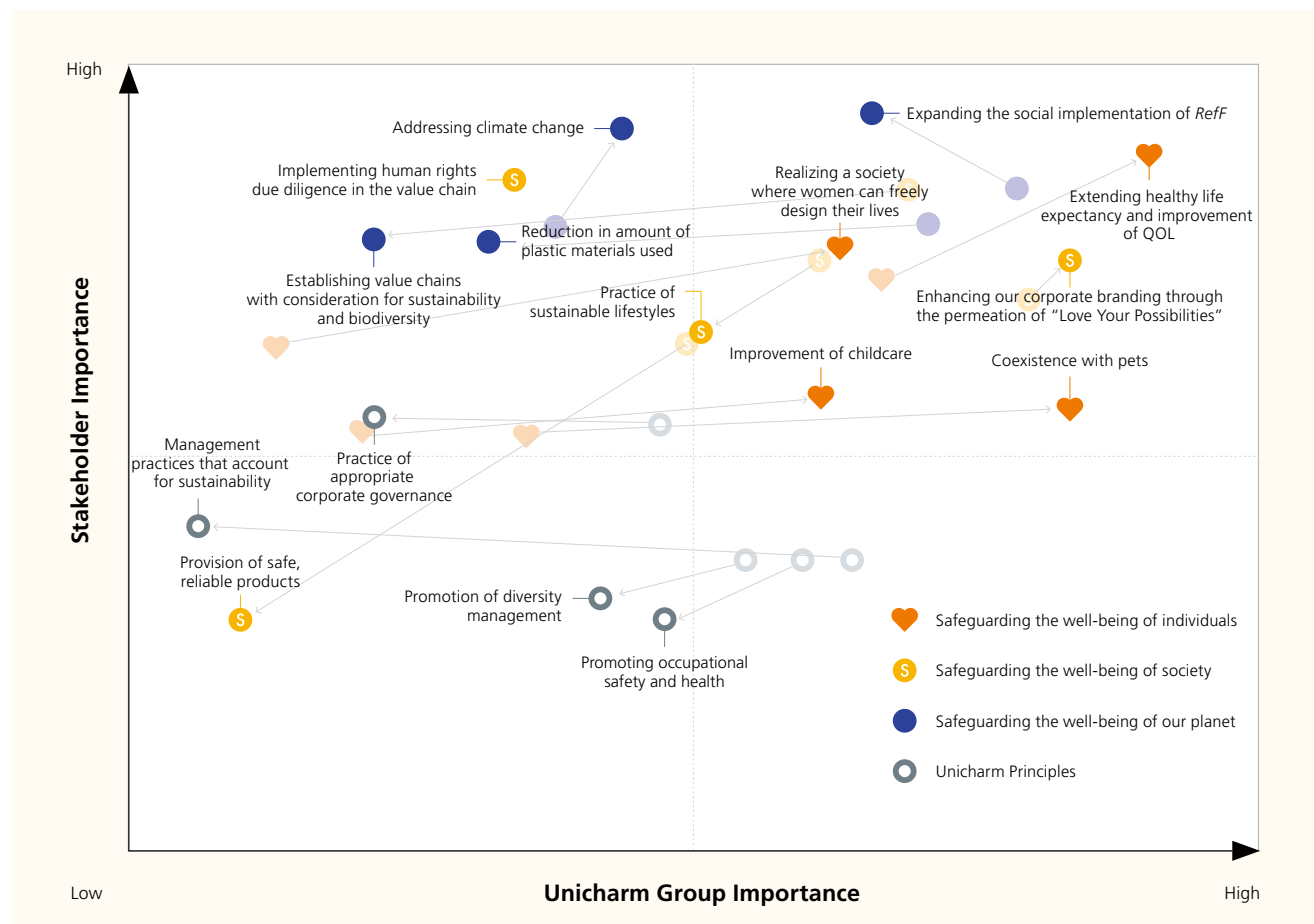
2-6,3-1,3-2,3-3,101-1,101-4,102-4

Formulation Process

Based on the progress of activities to date and changes in the Earth and society, we integrated Kyo-sei Life Vision 2030 and Environmental Targets 2030 while reviewing our key initiatives and targets, which led to the launch of new initiative Kyo-sei Life Vision 2035. Through the steady implementation of Kyo-sei Life Vision 2035, we will address environmental and social issues and contribute to the betterment of consumers and local communities, while continuing to grow our business.



Material Issues Matrix Diagram



Promotion Structure

P8 Sustainability Promotion System

Kyo-sei Life Vision 2035 (Medium- to Long-Term ESG Goals)

Kyo-sei Life Vision 2035

Safeguarding the Well-Being of Individuals

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.

Key Themes	Indicators	Medium- to Long-Term Goals	
		Target	Target Year
Extending healthy life expectancy and improvement of QOL	Providing products and services that contribute to the realization of a society where everyone can have a sense of individuality • No. of users of Unicharm Group's incontinence care products	198 (base value of 100 for 2024)	2035
Coexistence with pets	Providing products and services that contribute to the realization of a society where pets are welcomed by family members and community residents • No. of dogs using Unicharm Group's dog diapers	190 (base value of 100 for 2024)	2035
	• No. of dogs and cats using Unicharm Group's pet treats	415 (base value of 100 for 2024)	
Realizing a society where women can freely design their lives	Providing products and services that contribute to the realization of a society where women can freely design their lives • No. of users of Unicharm Group's products for women	170 (base value of 100 for 2024)	2035
Improvement of childcare	Providing products and services that contribute to the realization of a society where infants and their families can live healthily and happily • No. of users of Unicharm Group's baby and child care products	103 (base value of 100 for 2024)	2035

Kyo-sei Life Vision 2035

Safeguarding the Well-Being of Society

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.

Key Themes	Indicators	Medium- to Long-Term Goals	
		Target	Target Year
Enhancing our corporate branding through the permeation of "Love Your Possibilities"	The "Trust" image associated with Unicharm Group's products and services	27%	2035
	The "Reassurance" image associated with using Unicharm Group's products and services	23%	
Practice of sustainable lifestyles	Percentage of products and services suitable for the SDGs Theme Guideline, an internal guideline for contributing to sustainability	50%	2035
Implementing human rights due diligence in the value chain	No. of serious human rights violations in the value chain	Zero	Every year
Provision of safe, reliable products	Customer satisfaction level at Customer Communication Center	85% or more	Every year

Kyo-sei Life Vision 2035

Safeguarding the Well-Being of Our Planet

Our aim is to provide products and services that are sanitary and convenient, as well as to contribute to activities that improve our planet's environment.

Key Themes	Indicators	Medium- to Long-Term Goals	
		Target	Target Year
Expanding the social implementation of <i>Reff</i>	No. of <i>Reff</i> products launched (in-house + collaborations with other companies)	30 or more	2035
	No. of municipalities implementing disposable diaper recycling initiatives	20	
Addressing climate change	Reducing CO ₂ emissions associated with raw materials procurement	37.5% reduction per unit of sales (compared with 2021)	2035
	Reducing CO ₂ emissions in manufacturing	63.1% reduction per unit of sales (compared with 2021)	
	Reducing CO ₂ emissions associated with disposal of used products	37.5% reduction per unit of sales (compared with 2021)	
Establishing value chains with consideration for sustainability and biodiversity	Ensuring traceability to pulp and palm oil production locations (country/region)	100%	2035
	Expanding the use of certified pulp (PEFC- and CoC-certified)	100%	
	Expanding the use of certified palm oil (RSPO-certified)	100%	
Reduction in amount of plastic materials used	Reducing plastic usage in packaging materials	30% reduction (compared with 2022)	2035
	Raising awareness about proper disposal of used products	Rolled out at all Group companies	
	Eliminating non-recycled plastics in sales promotion items	Complete elimination	

Kyo-sei Life Vision 2035

Unicharm Principles

Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.

Key Themes	Indicators	Medium- to Long-Term Goals	
		Target	Target Year
Management practices that account for sustainability	Maintaining and improving ratings from external evaluation agencies	Achieve the highest level in major ESG ratings	Every year
Practice of appropriate corporate governance	No. of serious compliance violations	Zero	Every year
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women	30% or more	2035
	Percentage of positive answers received for the "Growth Through Work" section of the employee awareness survey	90% or more	
Promoting occupational safety and health	No. of fatal workplace accidents and lost-time injuries resulting in inability to work	Zero	Every year

Kyo-sei Life Vision 2035: Contributions to the SDGs

Key Themes	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Safeguarding the Well-Being of Individuals																	
Extending healthy life expectancy and improvement of QOL			●	●				●			●	●	●		●		
Coexistence with pets			●	●				●			●	●	●	●	●		●
Realizing a society where women can freely design their lives	●		●	●	●			●		●	●	●	●		●		
Improvement of childcare			●	●	●			●			●	●	●		●		
Safeguarding the Well-Being of Society																	
Enhancing our corporate branding through the permeation of “Love Your Possibilities”	●		●	●					●			●	●	●	●		
Practice of sustainable lifestyles				●		●	●	●				●	●	●	●		
Implementing human rights due diligence in the value chain						●		●	●	●	●	●				●	●
Provision of safe, reliable products			●						●			●					
Safeguarding the Well-Being of Our Planet																	
Expanding the social implementation of <i>Reff</i>						●	●		●			●	●	●	●		●
Addressing climate change						●	●		●			●	●	●	●		
Establishing value chains with consideration for sustainability and biodiversity	●			●		●	●	●	●	●	●	●	●	●	●		
Reduction in amount of plastic materials used							●		●			●	●	●	●		
Unicharm Principles																	
Management practices that account for sustainability	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Practice of appropriate corporate governance								●				●				●	
Promotion of diversity management	●		●	●	●			●		●							
Promoting occupational safety and health			●	●	●			●		●							

Environment

CONTENTS

21 Environmental Management

21 Basic Environmental Policy

26 Recycling-Oriented Society

26 Circular Recycling of
Used Disposable Diapers
29 Plastic Waste
Reduction Measures

35 Zero-Carbon Society

35 Disclosure Based on
the TCFD Recommendations
39 Roadmap to Realizing
a Zero-Carbon Society
40 Climate Change
45 GHG Emissions Visualization Project

46 Biodiversity

46 Biodiversity Conservation
52 Reducing Waste and
Preventing Pollution

57 Water Recycling-Oriented Society

57 Water Resources

Environmental Management

Basic Environmental Policy

2-24

Our Basic Approach and Strategy

The products and services that Unicharm provides are consumables essential to a clean and healthy lifestyle. At the same time, they are closely connected to the global environment through the use of resources and the generation of waste. As we expand our business operations across the globe, our role and responsibility in reducing environmental impact continues to grow year by year. Duly recognizing this role and responsibility, Unicharm has established the Unicharm Group Basic Environmental Policy, under which we contribute to the achievement of the Sustainable Development Goals (SDGs), the Paris Agreement, and other goals through our business activities.

Furthermore, by respecting the global environment in all our corporate activities and providing products and services that bring comfort, inspiration, and joy to people all over the world, we will contribute to the realization of a sustainable society that preserves the global environment while bringing economic prosperity.

▶ Unicharm Group Basic Environmental Policy

2-23

In order to pass on a beautiful Earth to future generations, we recognize that we must play a significant role as a manufacturer of disposable products. We are committed to providing goods and services that bring comfort, excitement, and joy to people all over the world, thereby contributing to the realization of a sustainable society that protects the global environment and brings economic prosperity.

Basic Environmental Policy

1. Development of Environmentally Friendly Products and Services
We design and provide consumers with products and services that reduce environmental impact (energy and resource conservation and waste reduction) at each stage of the supply chain, including concept planning, raw materials procurement, manufacturing and processing, distribution and sales, product use, and disposal and recycling.
2. Response to Climate Change
With the aim of realizing a zero-carbon society, we work to prevent global warming by visualizing, accurately assessing, and reducing the amount of greenhouse gases along the value chain.
3. Reduction of Waste and Use of Energy and Resources
In order to protect the global environment, we strive to develop technologies that are conducive to reducing waste and the use of energy and resources at the product development and design stages. We also make every effort to use resources and energy efficiently, reduce waste and emissions, and recycle in all of our activities along the value chain.
4. Commitment to Local Communities and to Protecting the Natural Environment
When using forest and water resources in our activities along the value chain, we pay due consideration to biodiversity, strive to protect local communities and ecosystems, actively work to prevent wastewater and other forms of pollution, and act responsibly to ensure that we do not adversely impact these communities and the natural environment. If we find that our business activities are having a negative impact on the environment, we will take corrective measures right away with the utmost priority.
5. Compliance with Laws and Regulations
We will comply with relevant laws, regulations, and ordinances at all stages of the product life cycle, from the procurement of raw materials to the disposal of used products, while establishing voluntary standards of conduct and striving to protect the global environment.
6. Strengthening of Communication with Society
We will contribute to the realization of a sustainable society by continuing to develop partnerships with suppliers and our various stakeholders and becoming a company trusted by society.

Guidelines

1. Development of Environmentally Friendly Products and Services
 - We strive to procure and use raw materials that are attuned to local production for local consumption.
 - We will reduce the use of petroleum-derived plastic in our raw materials.
 - We will establish recycling systems for used products and introduce this system in an increasing number of countries and regions.
2. Response to Climate Change
 - We will accurately assess the amount of greenhouse gas emissions along the value chain, develop a plan to reduce them, and steadily put this plan into action.
 - We will make active use of renewable electricity.
3. Reduction of Waste and Use of Energy and Resources
 - We will make effective use of energy and raw materials.
 - We will strive to use fewer resources in our products (including packaging) and promote recycling.
 - We will reduce waste from all activities along the value chain.
4. Commitment to Local Communities and to Protecting the Natural Environment
 - We strive to protect biodiversity and promote the development, use, and dissemination of technologies that contribute to sustainable use.
 - We contribute to the protection and sustainable use of biodiversity at all stages of the value chain.
 - We strive to use certified lumber and establish traceability to ensure that we do not contribute to forest destruction.
 - We strive to monitor water risk and take appropriate measures when carrying out business activities in countries and regions with high water risk.
 - We address water-related issues by making efficient use of water and preventing wastewater pollution.
5. Compliance with Laws and Regulations
 - We comply with environmental laws, regulations, and ordinances that pertain to the Company.
 - We establish and comply with voluntary standards as necessary.
 - We assess compliance with laws, regulations, ordinances, and voluntary standards regularly and take corrective action in the event that compliance is inadequate.
6. Strengthening of Communication with Society
 - We will promote activities to protect the Earth's ecosystem together with suppliers, customers, local communities, external organizations, specialists, and all other stakeholders by engaging in sincere dialogue.

Management Structure

Our environmental activities are managed by the ESG Committee, which is chaired by the president & CEO and operates under the supervision of the Board of Directors. The implementation of ISO 14001, which closely relates to our day-to-day operations, is pursued independently by each of our business locations and involves a Plan–Do–Check–Act (PDCA) cycle and gate control based on preset control points and key performance indicators (KPIs). The ESG Division is responsible for tasks such as understanding the environmental situation and it reports to the ESG Committee, which meets four times a year. The details of its discussions are also reported to the Board of Directors.

In addition, the key themes established in “safeguarding the well-being of our planet” under Kyo-sei Life Vision 2035 are positioned as key environmental targets, incorporated into departmental goals, and further linked to individual goals and weekly action plans.

P.18 Kyo-sei Life Vision 2035 (Medium- to Long-Term ESG Goals) >
Safeguarding the Well-Being of Our Planet

Evaluation and Remuneration System Incorporating ESG Criteria

To ensure that directors and executive officers demonstrate leadership in steadily implementing ESG strategies, from fiscal 2020 ESG criteria were incorporated into performance indicators for directors (excluding Audit & Supervisory Committee members) and executive officers. ESG criteria were also included in the evaluation indicators for all employees from fiscal 2023 and linked to the key themes of Kyo-sei Life Vision 2035 from fiscal 2026.

P.125 Evaluation Indicators for and Basic Policy on Remuneration of Directors and Executive Officers and Fiscal 2025 Remuneration Targets and Results

Environmental Management Based on ISO 14001 Certification

Unicharm’s business sites in Japan and overseas have obtained ISO 14001 certification, the international standard for environmental management. We continue to promote environmental conservation activities by implementing and operating an environmental management system (EMS) in accordance with this standard.

As of December 31, 2025, 80.6% (76.9% in Japan, 83.3% overseas) of our business sites are ISO 14001 certified.

P.150 Social Data > The Unicharm Group’s ISO Certifications

Environmental Audits for Preventing Environmental Risk and Enhancing Performance

Unicharm conducts three types of environmental audits in order to eliminate environmental risks and enhance environmental performance of activities and controls:

- (1) regular audits in conformance with ISO 14001;
- (2) on-site audits at industrial waste processing partners to confirm appropriate practices; and
- (3) audits for specific purposes, including confirmation of legal compliance.

Results of Environmental Regulatory Audits 2-27

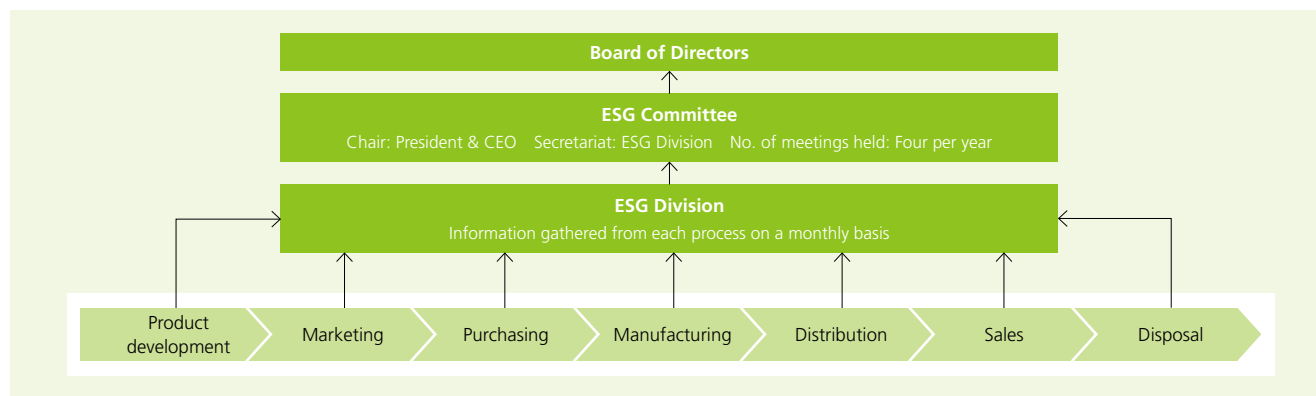
It has been confirmed that surveys, data, and documentation for submission to governments as required by environmental laws and regulations were submitted correctly in fiscal 2025. No fines have been incurred for violations of environmental laws or regulations. There are no environmental matters pending.

Acquisition of Green Industry Level 3 Certification (Thailand)

Unicharm’s local subsidiary in Thailand, Uni.Charm (Thailand) Co., Ltd., has acquired Green Industry Level 3 (Green System) certification for its factories, following the acquisition of Green Industry Level 5 (Green Network) certification in fiscal 2024.

The Green Industry certification is a certification system established by the Ministry of Industry in Thailand as part of the government’s Green Industry policy to promote the spread of environmentally responsible industries. Comprising five levels, Level 1 to Level 5, the certification program recognizes companies that fulfill their social responsibility to the environment and contribute to the development of environmentally responsible industries. For this Level 3 certification, Uni.Charm (Thailand) was recognized for initiatives such as the establishment of a management system compliant with international standards.

Environmental Management Structure



P.8 Sustainability Promotion System

Achievement of Blue Rating Under PROPER (Indonesia)

The Karawang Factory No. 1, No. 3, and the nonwoven factory of Unicharm's local subsidiary in Indonesia received the Blue rating under the Program for Pollution Control, Evaluation, and Rating (PROPER), an initiative organized by Indonesia's Ministry of Environment and Forestry to evaluate the environmental management performance of companies. The program evaluates companies throughout Indonesia and aims to promote compliance with relevant laws and regulations concerning environmental management. The evaluation criteria include comprehensive monitoring of compliance with environmental regulations, such as water pollution prevention, air pollution control, and hazardous waste (B3 waste) management. Participating companies are required to meet prescribed standards and undergo evaluation and audits.

Indicators and Targets

Unicharm has established key themes under "safeguarding the well-being of our planet" in Kyo-sei Life Vision 2035 and is promoting initiatives to achieve these targets.

P.18 Kyo-sei Life Vision 2035 (Medium- to Long-Term ESG Goals) >
Safeguarding the Well-Being of Our Planet

Initiatives and Results

Partnership with Stakeholders

2-28

Climate change and other environmental issues cannot be resolved through the efforts of Unicharm alone. For that reason, we promote and actively take part in various measures and initiatives undertaken by companies, organizations, and governments.

Climate Change	• Task Force on Climate-related Financial Disclosures (TCFD) • Science Based Targets initiative (SBTi) • Japan Climate Initiative (JCI) • RE100 • Japan Climate Leader Partnership (JCLP) • GX Future Consortium • Green x Digital Consortium • Actions by the Business Community on Long-term Global Warming Countermeasures up to 2050 (Keidanren) • Keidanren Carbon Neutrality Action Plan
Plastic Issues	• Plastic Circular Challenge 2025 • Plastic Smart • Business Coalition for a Global Plastics Treaty (Japan) • Japan Clean Ocean Material Alliance (CLOMA) • Soft Plastics Stewardship Australia
Biodiversity	• Taskforce on Nature-related Financial Disclosures (TNFD) • Japan Partnership for Circular Economy (J4CE) • Voluntary Action Plan for the Formation of a Recycling-Oriented Society (Keidanren) • Declaration of Keidanren on Biodiversity and Action Policy • Re-Style Partner Company • Sustainable Green Ecosystem Council (SGEC)/PEFC National Governing Body in Japan

Medium- to Long-Term Policy Briefing Session for Suppliers

In November 2025, we held the 16th Unicharm Medium- to Long-Term Policy Briefing Session for Suppliers with the aim of stabilizing material quality and disseminating our procurement policies and guidelines. The 2025 event, which was also streamed online, was attended by 353 participants from 120 companies, including material suppliers for personal care products, as well as material suppliers for pet care products and external production contractors. The aim of this briefing session was to enhance awareness of our various policies across the entire supply chain, including the Unicharm Group Basic Environmental Policy, the Unicharm Group Policy on Human Rights, and the Basic Policy of Procurement. In addition, we requested supplier cooperation by reporting and explaining specific measures to address environmental issues, respect human rights, and improve product quality, as well as policies concerning business continuity planning (BCP), an area of increasing importance in recent years.

Environmental Education for Employees

To enhance the environmental awareness of employees, we provide environmental education through new employee training and other training programs, the company intranet, and the sharing of information via email. Unicharm also holds workshops on a regular basis for employees to acquire the specific skills that are necessary for their respective duties.

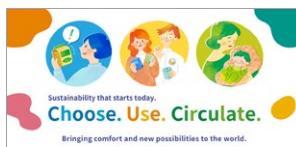
Environmental Awareness Campaign for Employees (Brazil)

Unicharm's local subsidiary in Brazil conducted an environmental awareness campaign aimed at reducing electricity use and waste generation, in which 350 employees participated. The campaign focused particularly on encouraging the practice of reduce, reuse, and recycle (the 3Rs).

Launch of “Choose. Use. Circulate.” Website

Based on Kyo-sei Life Vision 2035, Unicharm engages in various activities aimed at realizing a sustainable society. In Japan, we introduced the *Recycle for the Future (Reff)* Project, an initiative to recycle used disposable diapers, on Unicharm’s social media account “Notes for reflecting on the future of disposable diapers,” among other activities. Overseas, we actively carry out activities in accordance with the characteristics and circumstances of each country and region.

To broaden awareness of these efforts, Unicharm launched the “Choose. Use. Circulate.” website, which introduces our 2050 Vision of realizing a zero-carbon society, along with a roadmap and examples of initiatives being undertaken in various countries and regions to achieve this goal.



web Notes for reflecting on the future of Unicharm’s disposable diapers (in Japanese only)

https://note.com/unicharm_reff

web “Choose. Use. Circulate.” website

<https://www.unicharm.co.jp/en/csr-eco/ghg.html>

“Choose. Use. Circulate.” Campaign (Japan)

Unicharm Corporation has been engaging in regional environmental conservation activities with retail partners since fiscal 2024. In fiscal 2025, our second “Choose. Use. Circulate.” campaign was held from May to July 2025 with 23 retail partners that support this initiative. During the campaign, a portion of the proceeds from the sale of select products was donated to the Green Fund of the National Land Afforestation Promotion Organization, in support of forest maintenance, environmental education, and other activities.

Environmental Activities in Conjunction with World Environment Day

Recycling Events (Malaysia)

On June 5, 2025, in conjunction with World Environment Day, Unicharm’s three local subsidiaries in Malaysia held recycling events in support of the global campaign theme “Beat Plastic Pollution.” These events aimed to reduce plastic usage by each employee and promote concrete actions to protect the environment for future generations.

DSG (MALAYSIA) SDN. BHD. conducted recycling activities together with the Kuala Langat Municipal Council and Dual Blessing Bhd, a nonprofit organization supporting people with disabilities. Used clothing donated by employees and used cardboard were collected and sorted for recyclable materials, creating employment opportunities for people with disabilities.

Furthermore, UNI-CHARM CORPORATION SDN. BHD. and UNI-CHARM MALAYSIA TRADING SDN. BHD. conducted the Nearly New Program aimed at reducing plastic waste and promoting the efficient use of goods. Through the internal circulation of books, gadgets, clothing, and other items donated by employees, we contribute to waste reduction and make effective use of resources within the workplace.

Environmental Awareness Event (Thailand)

On June 5, 2025, Unicharm’s local subsidiary in Thailand, Uni. Charm (Thailand) Co., Ltd. (UCT), held an environmental awareness event in Bangkok, attended by approximately 1,000 people. Under the concept of “Choose. Use. Circulate.” UCT presented its environmental conservation activities in an easy-to-understand manner, in addition to communicating the importance of making eco-friendly choices by highlighting specific environmentally friendly products. UCT also demonstrated the measures being taken to realize a recycling-oriented society, such as reducing plastic usage and promoting the use of renewable energy.

Introduction of Sustainability Initiatives on a Radio Program (Japan)

On June 5, 2025, in conjunction with World Environment Day, employees of Unicharm Corporation appeared on a radio program to introduce the Company’s environmental policies and initiatives. Using Unicharm’s *Reff* brand and *Deo Sheet Kirei Pad* pet sheets as example initiatives embodying our “Choose. Use. Circulate.” sustainability concept, our employees clearly communicated the value of providing convenience and reducing environmental impact.

Zero Carbon Challenge Cup 2026 Sponsorship

The Zero Carbon Challenge Cup, a program that Unicharm has sponsored for 11 consecutive years, commends the daily work of various organizations (including schools, corporations, local governments, and NPOs) toward preventing global warming and building a zero-carbon society for the next generation. In our role as a cosponsor of this program, we have established the Love Your Possibilities Award.

In the final round of Zero Carbon Challenge Cup 2026, a total of 20 groups from the Student, Junior and Kids, Corporate and Municipal, and Citizens divisions made presentations, among which Yonago Hokuto Junior High School’s “biodiversity learning program utilizing Synecoculture” (Junior and Kids division) was selected as the winner of the Love Your Possibilities Award.



CDP

In an effort to actively disclose information to stakeholders around the world, Unicharm participates in and responds to questionnaires for CDP, an international non-profit organization that conducts environmental surveys globally and discloses such information toward the realization of a sustainable society.

In fiscal 2025, Unicharm was selected for the A List, the highest CDP rating, in the categories of climate change, forests, and water security for the second consecutive year.



CDP Rating

	Fiscal 2023	Fiscal 2024	Fiscal 2025
Climate Change	A-	A	A
Forests	A	A	A
Water Security	A	A	A

In the Supplier Engagement Assessment (SEA) based on the CDP 2025 Climate Change Questionnaire, Unicharm was selected as a Supplier Engagement Leader, the highest rating, in recognition of its climate change measures across the entire supply chain and its proactive engagement with business partners.



Short-, Medium-, and Long-Term Environmental Targets

Category	Indicators	Short-Term Targets		Medium- and Long-Term Targets	
		Target	Target Year	Target	Target Year
Addressing climate change	Reducing CO ₂ emissions associated with raw materials procurement	21.2% reduction per unit of sales (compared with 2021)	2026	37.5% reduction per unit of sales (compared with 2021)	2035
	Reducing CO ₂ emissions in manufacturing	46.5% reduction per unit of sales (compared with 2021)		63.1% reduction per unit of sales (compared with 2021)	
	Reducing CO ₂ emissions associated with the disposal of used products	35.0% reduction per unit of sales (compared with 2021)		37.5% reduction per unit of sales (compared with 2021)	
Establishing value chains with consideration for sustainability and biodiversity	Ensuring traceability to pulp and palm oil production locations (country/region)	100% use of pulp 50% use of palm oil	2026	100%	2035
	Expanding the use of certified pulp (PEFC- and CoC-certified)	70%		100%	
	Expanding the use of certified palm oil (RSPO-certified)	50%		100%	
Reduction in amount of plastic materials used	Reducing plastic usage of packaging materials	23.7% reduction compared with 2022	2026	30.0% reduction compared with 2022	2035
	Raising awareness about proper disposal of used products	75% (12 companies)		Expand to all Group companies	
	Eliminating non-recycled plastics in sales promotional items	Ensure complete awareness of plastic usage across the Group		Achieve	
Water security	Reducing water usage (withdrawal)	1% reduction compared with fiscal 2025	2026	10% reduction compared with 2020 levels	2035

Recycling-Oriented Society

Circular Recycling of Used Disposable Diapers

301-2,301-3,306-2

Our Basic Approach and Strategy

Issues Facing Society and Background of Recycling Technology Developments

In Japan, many used disposable diapers are incinerated, generating greenhouse gas (GHG) emissions, such as CO₂. Because used disposable diapers contain urine and feces, they are difficult to burn, requiring auxiliary fuel and additional costs. In addition, wood-derived materials, such as pulp and absorbent paper, are used as absorbent materials in the manufacture of disposable diapers. Reducing the environmental impact of disposable diapers throughout their lifecycle and widely communicating their sustainable value to society are essential for our continued growth. Against this backdrop, in 2015 Unicharm began recycling used disposable diapers as part of the *Recycle for the Future (Reff)* Project, with the aim of creating a future in which disposable diapers are not discarded after use.

Management Structure

Unicharm's disposable diaper recycling business is promoted by a cross-organizational team led by the chief Reff officer (CRO) and comprising members in charge of marketing, technical development, and public relations. Moreover, in collaboration with the Ministry of the Environment, we work with various municipalities and organizations, including Shibushi City and Osaki Town, Kagoshima Prefecture, as well as So Recycle Center LLC.

Indicators and Targets

► Kyo-sei Life Vision 2035: Safeguarding the Well-Being of Our Planet

Indicators	Target	Target year
No. of Reff products launched (in-house + collaborations with other companies)	30 or more	2035
No. of municipalities implementing disposable paper diaper recycling initiatives	20	

Initiatives and Results

Circular Recycling of Used Disposable Diapers

After launching this project in 2015, in fiscal 2016 we began demonstration trials in Shibushi City, Kagoshima Prefecture, to recycle used disposable diapers at So Recycle Center LLC, a waste recycling operator commissioned by the city.

Subsequently, in fiscal 2018, Osaki Town located in Kagoshima Prefecture, joined the demonstration trials. In June 2022, some nursing care facilities in Kagoshima Prefecture began using disposable diapers incorporating recycled materials as part of their absorbent materials, resulting in the world's first*¹ horizontal recycling of used disposable diapers.

In April 2023, we began collecting used disposable diapers from childcare facilities using the *Hands-Free Commute**² service in Shibushi City. In August 2024, we began providing these facilities with *MamyPoko Pants Reff* disposable baby diapers specifically for childcare facilities, made from recycled materials, thereby forming the cycle of use, collection, recycling, and reuse and realizing a circular economy.

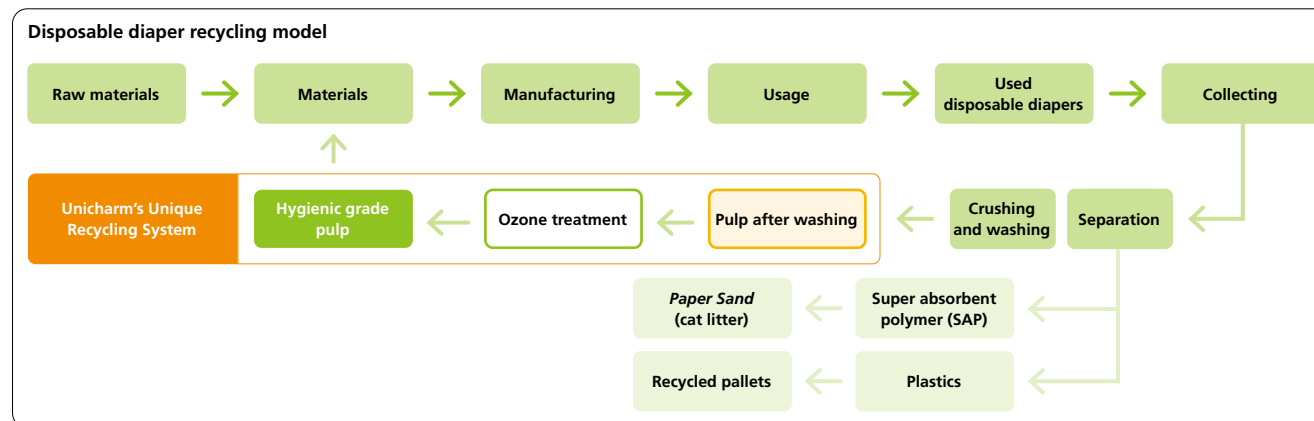


*1 Horizontal recycling of used disposable diapers to new disposable diapers using ozone treatment technology (based on Unicharm research, December 2020)

*2 Flat-rate service providing disposable baby diapers and baby wipes to childcare facilities

P.68 *Hands-Free Commute*: A Subscription-Based Model for Disposable Diapers

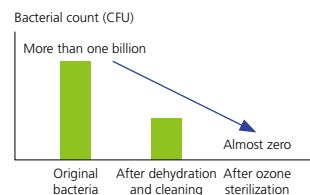
► Recycling of Used Disposable Diapers



Sterilizing Effects of Our Ozone Treatment Technology

Unicharm's recycling system is designed to achieve hygienic quality equivalent to that of non-recycled raw materials through a process that includes cleaning and separating collected disposable diapers and using our proprietary ozone treatment technology to sterilize the extracted pulp.

Change in Bacterial Count**

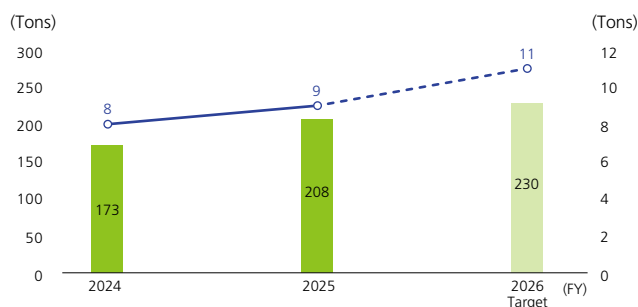


CFU: Colony-forming unit. A unit used to indicate the number of living bacteria

*1 Based on Unicharm research

Amount of Used Disposable Diapers Collected and Recycled Pulp Produced

In fiscal 2025, the amount of used disposable diapers collected was approximately 208 tons, an increase of approximately 20.2% from fiscal 2024. For fiscal 2026, we have set the target of collecting 230 tons.



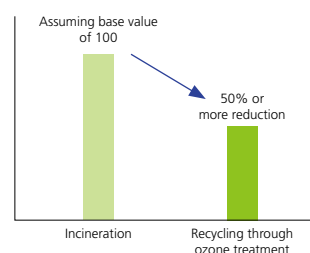
■ Amount of used disposable diapers collected
— Amount of recycled pulp produced (right axis)

Reducing GHG Emissions

By recycling used disposable diapers using ozone treatment technology, GHG emissions can be reduced by more than 50% compared with incineration.

*2 Based on Unicharm research

GHG Emissions**



Products Using Recycled Raw Materials

Products Using Recycled Pulp

Release Date	Product Name
June 2022	<i>Lifree Side Leak Prevention Tape-on RefF</i>
January 2024	<i>Lifree All Night Dry & Secured Pad Ultra RefF</i>
April 2024	<i>Deo-Toilet Deodorizing / Disinfecting Sheets RefF</i> <i>MamyPoko Pants RefF</i>
August 2024	<i>Shibushi and Osaki Roll</i> , toilet paper made of wastepaper and recycled pulp collected in Shibushi City and Osaki Town, Kagoshima Prefecture (manufactured by Poppy Paper Co., Ltd.)
April 2025	<i>Lifree Nobiru Fit Thin Lightweight Tape-on RefF</i>
April 2025	<i>Recy-Clay</i> , an educational paper clay utilizing recycled pulp (jointly developed with Nihon Kyozaï Co., Ltd.)

Products Using Recycled Plastics

Release Date	Product Name
December 2022	Disposable diaper collection bags (manufactured by C.I. TAKIRON Corporation)
March 2024	Disposable diaper collection boxes (jointly developed with Aronkasei Co., Ltd.)
October 2024	<i>Nepia Nepinepi Toilet Double Rolls 12-Pack RefF</i> , toilet paper produced using electricity generated from recycled solid fuel (RPF) in the production process (manufactured by Oji Nepia Co., Ltd.)
February 2025	Recycled pallets made from a mixture of recycled plastics and recycled plastic materials (manufactured by Wakakusa Co., Ltd.)

Products Using Recycled Super Absorbent Polymers

Release Date	Product Name
March 2025	<i>Deo-Sand: Paper Sand That Deodorizes with Fragrance RefF Pure Floral Fragrance</i>

Disseminating Information to Promote Consumer Understanding and Cooperation

Consumer understanding and cooperation with regard to sorting and collection is an essential aspect of our efforts to promote the recycling of used disposable diapers. Accordingly, since June 2022, we have been disseminating information on the *RefF* Project through the Unicharm social media account "Notes for reflecting on the future of disposable diapers." Furthermore, in April 2024 we launched the *RefF* brand website "Together we create a future cycle."

[web](https://note.com/unicharm_reff) **Notes for reflecting on the future of Unicharm's disposable diapers (in Japanese only)**

https://note.com/unicharm_reff

[web](https://www.unicharm.co.jp/en/csr-eco/reff.html) ***RefF* brand website "Together we create a future cycle."**

<https://www.unicharm.co.jp/en/csr-eco/reff.html>

Initiatives to Promote Consumer Understanding

In Shibushi City and Osaki Town, Kagoshima Prefecture, where our recycling systems are operated, and Yokohama City, Kanagawa Prefecture, where *RefF* products have been introduced through the *Hands-Free Commute* service, we continue to promote activities that allow these local communities to get a firsthand experience of recycling used disposable diapers so that they develop a better understanding of the importance of separating and collecting used disposable diapers.

Area	Initiatives
Shibushi City	- Installed collection boxes for disposable diapers made from plastic recycled from used disposable diapers at 470 waste collection sites (since March 2024) - Conducted outreach classes on the theme of "RefF disposable diaper recycling" at local elementary schools (November 2022, November 2024, and December 2025)
Osaki Town	- Distributed disposable diaper collection bags made from plastic separated during the recycling process (since December 2022) - Conducted workshops where participants made postcards using recycled pulp (July 2023)
Yokohama City	- Introduced <i>MamyPoko Pants RefF</i> disposable baby diapers at all 56 public childcare facilities in Yokohama City that are part of the <i>Hands-Free Commute</i> service (October 2024) - Conducted environmental workshops to allow children attending certified childcare centers and public childcare facilities to learn about horizontal recycling of used disposable diapers and resource recycling (October 2025)

Internal Initiatives

Since fiscal 2023, Unicharm Corporation has been conducting an *Reff* training program for new employees. The program teaches employees about horizontal recycling of used disposable diapers and includes a curriculum on the quality and safety of recycled pulp and environmental considerations. Furthermore, since January 2024 Unicharm Corporation and other Group companies in Japan have been using business cards made from recycled pulp. In February 2025, Sumitomo Fudosan Tokyo Mita Garden Tower, where our head office is located, began using toilet paper made from recycled pulp (manufactured by Poppy Paper Co., Ltd.).

Recipient of the Excellence Award in ESG Category at Sustainable Japan Award 2025

Unicharm's *Reff* Project was selected for the Excellence Award in the ESG category for Sustainable Japan Award 2025, organized by The Japan Times. The project was recognized for pioneering a new circular pathway for products that were previously only disposed of as waste.

Organized by The Japan Times, Japan's oldest English-language newspaper founded in 1897, the Sustainable Japan Award honors companies and organizations that are taking advanced initiatives toward the realization of a sustainable society and communicate these efforts to the world. The 2025 award ceremony marks the seventh year of the program.

Toward Further Value Creation

Unicharm aims to establish a recycling model that can be deployed overseas through implementation at 20 municipalities in Japan by 2035. We will remain devoted to realizing a recycling-oriented society by developing new products made from recycled disposable diapers and by expanding sales channels.

Development of New Technologies

Unicharm's recycling system requires a considerable amount of water resources during processing, presenting a challenge when considering the deployment of this system overseas. In response, we began developing our new Dry Cleaning Method technology together with FUJI CLEAN CO., LTD. in order to realize a more efficient recycling method. This technology is expected to reduce water usage to approximately 1/50,*¹ enabling the creation of a circular recycling model suitable for regions with limited water resources and for future overseas deployment. In addition, we will work with local businesses in Ayagawa Town located in the Ayauta District of Kagawa Prefecture to establish a collection system for used disposable diapers.*²

*1 Compared with our conventional method

*2 Collection to be carried out by FUJI CLEAN CO., LTD.

Promotion of Research and Demonstration Projects

To expand collaboration with municipalities, Unicharm is advancing various research and demonstration projects. From December 2024 to January 2025, we participated in a demonstration project for recycling used disposable diapers promoted by Hamamatsu City, Shizuoka Prefecture, providing disposable diaper collection boxes and developing and providing products made from recycled pulp. In June 2025, to further expand the *Reff* Project, we joined the Circular Economy Partnership for Promoting General Waste Recycling Technologies, a consortium which initially consisted of nine organizations, including municipalities such as Soma City and Minami Soma City in Fukushima Prefecture, companies, and universities.

Recipient of the Asahi Shimbun Prize and the Invention Implementation Achievement Award at the 2025 National Commendation for Invention

Unicharm received the Asahi Shimbun Prize (special award) at the 2025 National Commendation for Invention (organized by the Japan Institute of Invention and Innovation) for the invention of technology for recycling high-purity pulp from used disposable diapers (patent no. 6290475).

The National Commendation for Invention is an awards program with a rich history dating back to its founding in 1919 for the purpose of contributing to the advancement of science and technology and the development of industries in Japan. It recognizes outstanding inventions and technologies and designs with the potential to make significant contributions to society. The Asahi Shimbun Prize is presented to inventions that demonstrate outstanding scientific and technological advancement and remarkable achievements in social implementation.

This award recognized our technology's ability to purify pulp contained in used disposable diapers and other hygiene products and regenerate it as a safe, secure, and reusable resource as well as its successful practical application and commercialization.

P.72 IP Activities That Have Enhanced Our Social Reputation

Recipient of the Executive Committee Special Award—SDGs Business Award at the 13th GOOD LIFE AWARD

Unicharm received the Executive Committee Special Award—SDGs Business Award at the 13th Good Life Award organized by Japan's Ministry of the Environment. This award program recognizes social initiatives that promote harmonious coexistence with society and the natural environment and supports information exchange aimed at revitalizing society. Unicharm was recognized for the pioneering role in resolving social issues played by its recycling model to commercialize the horizontal recycling of used disposable diapers for the first time in the world, reduce waste in collaboration with municipalities, and expand the use of recycled materials across a wide range of products.

Recycling-Oriented Society

Plastic Waste Reduction Measures

Our Basic Approach and Strategy

Plastics are easy to process, durable, and essential to our hygienic lives. However, they can have a significant impact on the natural environment if they are not properly disposed of and recycled after use. Unicharm uses plastic in its products and packaging materials, and is working to address plastic-related issues in recognition of its responsibility in this regard.

Specifically, responding to the problem of plastic waste was identified as a material issue under Environmental Targets 2030, announced in 2020. Having declared “realizing a new society with zero plastic waste” as the ultimate goal for our 2050 Vision, we established and implemented targets for 2030 as milestones toward our vision of where we want to be in 2050. In 2025, based on the results of initiatives over the past five years, we integrated the implementation items and targets of Environmental Targets 2030 into Kyo-sei Life Vision 2035 with the aim of further accelerating our response to environmental issues.

Unicharm’s initiatives are in line with global movements to address plastic-related issues in Japan and the rest of world. These initiatives include endorsement of the Plastics Smart campaign, organized by Japan’s Ministry of the Environment, since 2018; participation in the Japan Business Coalition for a Global Plastics Treaty, supported by the World Wide Fund for Nature (WWF) Japan, since 2023; membership in the Japan Clean Ocean Material Alliance (CLOMA) since 2024; and participation in the Business Coalition for a Global Plastics Treaty since 2024. Through these and other initiatives, the Unicharm Group is strengthening its commitment to helping resolve plastic-related issues.



Risks and Opportunities

Risks

The sanitary pads and disposable diapers produced by Unicharm utilize plastic materials molded into sheets and films to create product and packaging materials. Accordingly, there is a risk that production costs will rise due to tighter regulations and taxes on petroleum-derived plastics, as well as an imbalance between the supply and demand of raw materials due to the mandatory use of recycled plastics. Furthermore, if our efforts to proactively address the issue of plastic waste are not conveyed appropriately to consumers, there is a risk that they may refrain from purchase.

Opportunities

Ongoing efforts to reduce the amount of plastic used throughout our business activities will enable Unicharm to comply with stricter regulations on the use of petroleum-derived plastic materials and contain production cost increases due to rising material prices. Furthermore, products that use less plastic are expected to gain support from consumers who wish to purchase and use environmentally friendly products, leading to opportunities for sales growth.

Management Structure

We report the progress of responses to environmental issues in accordance with Kyo-sei Life Vision 2035, established through the integration of Environmental Targets 2030 and Kyo-sei Life Vision 2030, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In this report, we will continue to report on the results of Environmental Targets 2030 as a phase for transitioning to the targets of Kyo-sei Life Vision 2035.

Furthermore, the ESG Committee, chaired by the president & CEO, formulates plans to resolve material issues related to our measures to overcome the problem of plastic waste, which are submitted to the Board of Directors for approval. Four times a year, the ESG Committee convenes to report on the progress of activities and discuss and decide on further measures for improvement, thereby implementing a PDCA cycle toward the achievement of targets.

P.22 Environmental Management Structure

P.8 Sustainability Promotion System

Indicators and Targets

► Kyo-sei Life Vision 2035: Safeguarding the Well-Being of Our Planet

Indicators	Target	Target Year
Reducing plastic usage in packaging materials	30% reduction (compared with 2022)	2035
Raising awareness about proper disposal of used products	Rolled out at all Group companies	
Eliminating non-recycled plastics in sales promotional items	Completely eliminate	

Initiatives and Results

Reducing Usage of Plastic in Packaging Materials

We are working to reduce the amount of plastic used in packaging throughout the Group by making packaging thinner and minimizing sealing areas. Through these efforts, in fiscal 2025 we reduced the amount of plastic used in packaging materials by 37.2% (per unit of sales) compared with fiscal 2019. Furthermore, we also promote the use of plastics made from recycled materials and plant-derived raw materials.

► Plastic Usage in Packaging

	Fiscal 2019 (Base Year)	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results
Amount used (tons)	32,826	29,883	29,543	27,275
Percentage reduction vs. fiscal 2019 (weight)	—	−9.0	−10.0	−16.9
Percentage reduction vs. fiscal 2019 (per unit)	—	−18.4	−26.5	−37.2

Reducing Usage

Unicharm is continuously engaged in reducing plastic usage without compromising product quality or functionality by revising package designs, including making packages thinner, minimizing areas where packaging is pasted together, and reducing product dimensions by altering the way products are packed.

Countries	Initiatives	Results
South Korea	Reduce plastic usage by developing thinner packaging for all <i>MamyPoko</i> disposable baby diapers	Reduced plastic usage by approximately 16% compared with conventional products, with the expectation that this will lead to plastic reductions of approximately one ton per year
	Reduce plastic usage in packaging	Reduced plastic usage by approximately 41 tons in fiscal 2025 owing to the above initiative and others
Japan	Developed thinner packaging for <i>Moony Low Irritation, More Comfort</i> disposable baby diapers	Reduced packaging thickness by approximately 7%, along with changing packaging printing from embossed to matte packaging
United States	Redesigned plastic caps for <i>Delectables Squeeze UP (60 Pack)</i> cat treats	Reduced plastic usage by approximately 5.8 tons per year
	Updated the packaging for <i>Delectables LICKABLE SPOON</i> cat treats by adopting a thinner cast polypropylene (CPP) sealant layer in the stand-up pouches, creating an easy-to-open design.	Reduced plastic usage by approximately 119 tons per year

Using Recycled Materials

301-2,301-3

Unicharm actively uses recycled materials such as post-industrial recycled (PIR) plastic*¹ and post-consumer recycled (PCR) plastic*² in its packaging.

Countries	Initiatives	Results
India	Incorporated approximately 10% PIR plastic into all types of packaging, including polyethylene (PE) and CPP	Used approximately 343 tons of PIR resin per year
Indonesia	Released <i>CHARM Daun Sirih Bio Materials Organic Cotton Type</i> sanitary pads for a limited time to coincide with World Environment Day	Used biomaterials and PE recycled from material trimmings (excess materials) in packaging
United States	Switched to 100% use of PCR plastic for the PET containers and polypropylene (PP) caps used as secondary packaging for <i>Delectables Squeeze UP (60 Pack)</i> cat treats	Replaced virgin petrochemical-based plastic with approximately 92 tons of PCR resin per year
	Incorporated 10% PIR plastic into all packaging for <i>Home Protection</i> pet sheets for dogs	Replaced approximately 4.8 tons of virgin petrochemical-based plastic with PIR plastic
Australia	Incorporated approximately 15% PCR plastic and approximately 5% PIR plastic into linear low-density polyethylene (LLDPE) used in the packaging of newborn- and small-size disposable baby diapers	Reduced approximately 9.4 tons of virgin petrochemical-based plastic per year
Philippines	Used recycled materials in packaging for <i>SOFY Natural Love</i> sanitary pads	Reduced use of virgin petrochemical-based plastic by 50% in addition to waste
South Korea	Used packaging materials containing recycled raw materials	Used 9.03 tons of recycled raw materials in fiscal 2025
Japan	Recovered trimmings generated during material cutting in the manufacturing process and recycled them back into packaging	Continued to use these recycled materials in the packaging of <i>MamyPoko Pants Refr</i> disposable baby diapers and commercial-use disposable adult diapers in 2025

*1 Plastic recycled from waste generated during the manufacturing process, such as product loss

*2 Plastic recycled from post-consumer waste, such as packaging materials

Using Paper Packaging

Unicharm is working to reduce the amount of plastic used in packaging by switching packaging and some packaging materials to paper materials.

Countries	Initiatives	Results
China	Adopted paper packaging for trial pack of <i>SOFY Ultra Deep Sleep Pants</i> sanitary pads, reducing plastic by approximately 25%	Reduced plastic by approximately 14.5 tons using paper packaging for trial packs, which were distributed to approximately 10.14 million people
Japan	Switched to the use of paper hooks for period underwear packaging	Reduced plastic usage in packaging by approximately 20%

Utilizing Plant-Derived Plastics

Countries	Initiatives	Results
Indonesia	Released <i>CHARM Daun Sirih Bio Materials Organic Cotton Type</i> sanitary pads for a limited time to coincide with World Environment Day	Adopted biomaterials* made from previously discarded sugarcane pomace as a raw material for packaging
Japan	Used plant-derived plastics in packaging for <i>Sofy Soft Tampon</i> and <i>Sofy Soft Tampon Organic Cotton</i>	Used biomass ink for packaging printing
	Used plant-derived plastics in the individual packaging of <i>Lifree Sawayaka Comfort Sheets for Men</i> urine-absorbent pads	Incorporated bio-based PE film into individual packaging

* Materials using biomass or biomineral materials

Product Initiatives

In light of the fact that many of the products manufactured and sold by Unicharm are considered disposable after use, we promote product development focused on reducing environmental impact upon disposal of our products. We are making efforts to develop lighter and thinner products by combining raw materials, increase the number of products using plant-derived raw materials, and develop products that do not use petroleum-derived plastic.

Utilizing Plant-Derived Plastics

Countries	Initiatives	Results
Indonesia	Released <i>CHARM Daun Sirih Bio Materials Organic Cotton Type</i> sanitary pads for a limited time to coincide with World Environment Day	Used biomaterials made from previously discarded sugarcane pomace and botanical oils as raw materials for the top sheet, side sheets, and back film. Also used plant-based natural resins for the hot-melt adhesives used to secure the pads within individual packaging
Japan	Used plant-derived raw materials in <i>Sofy Soft Tampon</i> and <i>Sofy Soft Tampon Organic Cotton</i>	Used plastic-derived raw materials for approximately 3% (by weight) of all materials used in the applicator

Reducing Usage

Countries and Regions	Initiatives	Results
Worldwide	Promoted reuse through refillable and replaceable products	Promoted reduction in plastic usage (waste) by offering products for which holders and main containers can be reused
	Promoted combined use of disposable adult diapers (outer layer) and absorbent pads (inner layer) for incontinence care	Contributed to approximately 20% reduction in plastic usage (waste) when used in combination, as only the inner layer needs to be changed after urination compared with replacing the outer layer each time
Thailand	Promoted Sharity project primarily in rural areas to sell <i>Lifree Hygienic Pants</i> cloth diapers and <i>Lifree Subpad</i> absorbent pads in combination instead of disposable adult diapers	Reduced usage of (waste from) both inner and outer layers through repeated use of cloth diapers
	Expanded product lineup of <i>SOFY Tanom Pew Natural Love</i> sanitary pads that use organic cotton on the surface layer, use absorbent paper with approximately 50% less bleaching, and come in individual packaging made of approximately 20% less plastic	Launched panty liners made of absorbent paper with approximately 50% less bleaching, individually wrapped in packaging using approximately 35% less plastic (June 2025)
Indonesia	Reduced amount of hot-melt adhesives used in <i>MamyPoko Pants X-tra Kering</i> disposable baby diapers	Reduced plastic usage and improved flexibility and comfort of these diapers
Japan	Optimized number of elastic threads used in the gathers of <i>Moonyman</i> and <i>Moonyman Low Irritation, More Comfort</i> disposable baby diapers and enhanced absorbent material processing technology	Reduced weight of materials used in these products by approximately 9.6%*1 compared with conventional baby diapers
	Adopted ultrasonic bonding technology to join elastic threads in the waist area of <i>Lifree Thin Lightweight Comfortable Pants</i> disposable adult diapers	Reduced amount of hot-melt adhesive used in bonding by approximately 190 tons per year, making the product easier to recycle after use and improving compression efficiency when packaging, thereby increasing loading efficiency and reducing environmental impact during distribution and delivery
	Introduced Unicharm's proprietary glue-free technology to <i>MamyPoko Pants</i> disposable baby diapers	Reduced environmental impact and improved product performance by eliminating the use of hot-melt adhesives
	Used organic cotton in <i>Sofy Hadaomoi ORGANIC</i> series of sanitary pads and panty liners	Reduced plastic usage by using 100% organic cotton—manufactured with minimal environmental impact on soil and water quality—in the surface sheet top layer that comes into direct contact with the skin
	Introduced <i>Deo Sheet Kirei Pad</i> pet sheets that allow dogs to urinate repeatedly on the same regular-size pet sheet by applying these mini sheets over urine spots	Reduced plastic usage by approximately 52%*2 compared with conventional products by eliminating the need to replace the entire pet sheet and enabling maximum use of each sheet; this product also utilizes waste generated during the manufacturing process
	Reusable and sanitary <i>Sofy Fit-to-Body Absorbent Underwear</i>	Reduced plastic usage (waste) through this washable and reusable product

*1 Based on Unicharm research for *Moonyman* large-size disposable baby diapers

*2 Based on Unicharm research for *Deo Sheet Reliable Super-Absorption* regular size pet sheets; the number of sheets used is based on preliminary product tests

Efforts Associated with Disposal and Recycling of Used Products

In some countries and regions where Unicharm provides products, there are areas where the process of waste separation and collection has yet to become widespread. As a manufacturer that provides consumer goods essential for hygienic daily life, we believe it is our duty to help raise awareness of proper disposal methods for products after use and promote sorting and recycling activities throughout society.



Example from Japan

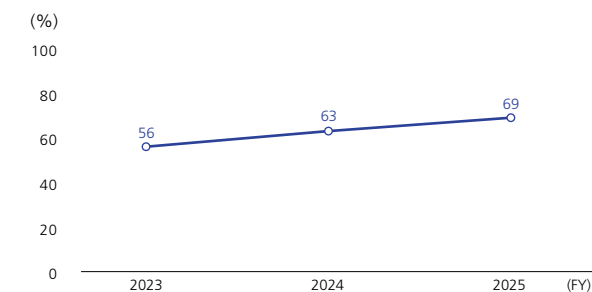


Example from India

Raising Awareness About Proper Disposal of Used Products

Although the disposal methods for products after use vary between countries and regions, we promote awareness of proper disposal methods through information printed on product packaging and other methods in accordance with the laws and standards of each country and region. In fiscal 2025, we indicated disposal methods on product packaging in 69% of our sales area (11 out of 16 target Group companies). We also conduct classes on sorting and recycling for children, who are the future of our society.

Rate of Awareness of Proper Disposal of Used Products



• Outreach Classes on Waste Separation (Indonesia)

In February 2025, Unicharm's local subsidiary in Indonesia conducted outreach classes on waste separation at an elementary school in Karawang Regency, West Java Province, in collaboration with the Karawang Environmental Agency's Environmental Management Division. More than 50 students participated in these classes, in which using videos and other resources, we explained the importance of proper waste separation and disposal in reducing waste and protecting the environment.

• Education on Waste Separation (Thailand)

Unicharm's local subsidiary in Thailand provides education on waste separation at nearby elementary and junior high schools. In fiscal 2025, more than 400 students participated in 4 schools, learning how to separate general waste, hazardous waste, and recyclable waste such as milk cartons and paper.

These waste separation activities, which originated within the company, have since expanded to schools, local communities, universities, and hospitals throughout the Bangkok metropolitan area. Through awareness-raising activities and the installation of 28 collection boxes, Unicharm is promoting the separation of stretch film* from general waste, aiming to recycle it into plastic pellets used to manufacture garbage bags and packaging wraps.

* Transparent, highly elastic and adhesive plastic film made primarily from LLDPE

Commitment to Recycling and Extended Producer Responsibility (EPR)

As part of its continued commitment to sustainability and the reduction of environmental impact, Unicharm India Private Limited (UCLA), Unicharm's local subsidiary in India, recycled roughly 4,500 tons of plastic between fiscal 2024 and fiscal 2025 through the efforts of GEM Enviro Management Limited. This initiative is an essential element of UCLA's commitment to Extended Producer Responsibility (EPR) and contributes to reductions in plastic pollution and the promotion of a circular economy.

Promoting the Recycling of Used Disposable Diapers

Since 2015, Unicharm has conducted demonstration trials on the horizontal recycling of used disposable diapers. In June 2022, nursing care facilities in Kagoshima Prefecture began using disposable adult diapers that use recycled materials for a portion of their absorbent materials. In our recycling system, collected diapers are washed and separated, then undergo a unique ozone treatment process to sterilize bacteria contained in the waste and recycle the extracted pulp, making it equivalent to unused raw materials in terms of hygiene, safety, and use.

This initiative aims to promote understanding and adoption of proper waste separation through measures such as the installation of dedicated collection boxes for used disposable diapers in Shibushi City, Kagoshima Prefecture (from March 2024) and the distribution of disposable diaper collection bags made of plastics separated during the recycling process in Osaki Town, Kagoshima Prefecture (from December 2022). Furthermore, in October 2025 environmental workshops were held for children attending certified childcare centers and public childcare facilities in Yokohama City, Kanagawa Prefecture using *MamyPoko Pants RefF* disposable baby diapers through the *Hands-Free Commute* service. These workshops were conducted to allow children to learn about horizontal recycling of used disposable diapers and resource recycling.



Aiming to inspire those who will shape the future of our planet, Unicharm's corporate website offers an illustrated guide to recycling disposable diapers, intended for elementary and junior high school students.



web An Illustrated Guide to Recycling Disposable Diapers

<https://www.unicharm.co.jp/en/csr-eco/education.html>

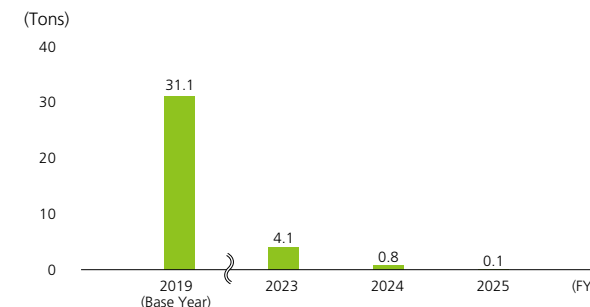
Initiatives Involving Promotion Items

Unicharm endeavors to reduce plastic usage in sales promotional items for display products in retail stores. In Kyo-sei Life Vision 2035, announced in 2025, Unicharm declared the target of eliminating non-recycled plastics in sales promotional items by 2035. This initiative was launched in Japan and is being gradually rolled out across the Group. Following China, we are also stepping up efforts in Vietnam and India to achieve 100% use of recycled materials in sales promotional items, such as promoting the switch to paper-based materials and the redesign of display fixtures.

Initiatives in Japan

In fiscal 2025, plastic usage in sales promotional items in Japan amounted to approximately 0.1 tons, a 99.7% reduction from that in fiscal 2019.

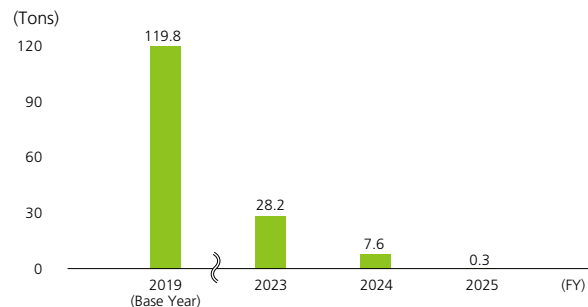
Plastic Use in Sales Promotional Items (Japan)



Initiatives in China

At Unicharm's local subsidiary in China, efforts centered on the switch to paper-based POP displays resulted in approximately 0.3 tons of plastic usage in sales promotional items in fiscal 2025, a 99.8% reduction from that in fiscal 2019.

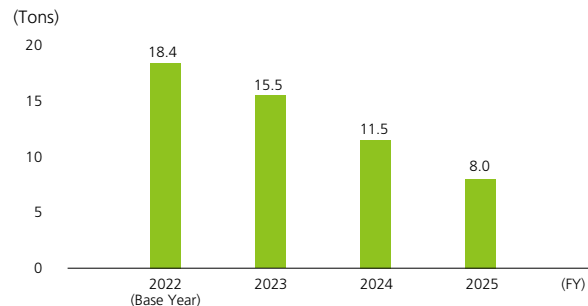
Plastic Use in Sales Promotional Items (China)



Initiatives in Vietnam

Unicharm's local subsidiary in Vietnam is switching to paper-based displays and shelf liners with the aim of achieving zero plastic use in sales promotional items. As a result, in fiscal 2025, plastic used in sales promotional items was approximately 8.0 tons, a 56.8% reduction from that in fiscal 2022.

Plastic Use in Sales Promotional Items (Vietnam)

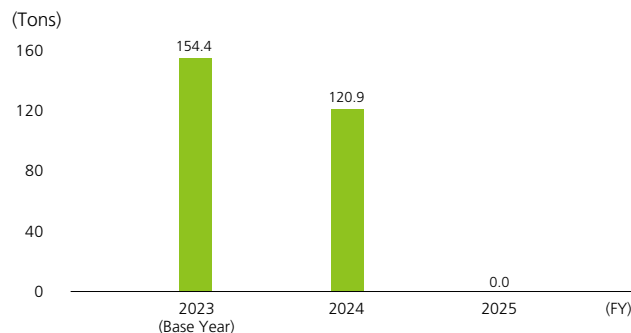


Initiatives in India

In fiscal 2025, Unicharm's local subsidiary in India achieved zero plastic use in sales promotional items, owing to strategic measures aimed at realizing this goal. Specifically, we actively utilized existing inventory from previous years and reused hangers and other key in-store promotional items used in large quantities.

Going forward, we will step up efforts even further to reduce plastic use, including by accelerating the shift to metal, paper, and other alternative materials, to achieve our target of zero plastic use by 2035.

Plastic Use in Sales Promotional Items (India)*

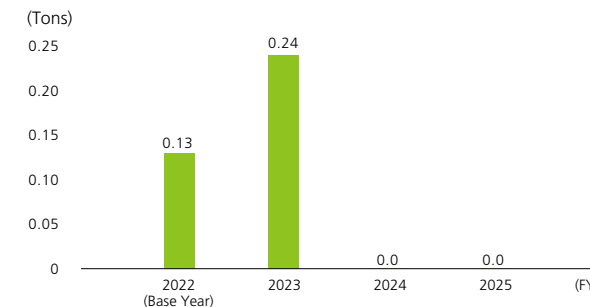


* Zero plastic use in sales promotional items in fiscal 2025 reflects our efforts to prioritize effective use and reuse of existing inventory from previous years.

Initiatives in the United States

Unicharm's local subsidiary in the United States underwent drastic material changes to realize its policy of zero plastic use in sales promotional items. In fiscal 2023, we reviewed the materials and design of sales promotional items from scratch and switched to recycled materials. In collaboration with suppliers, we overcame the challenge of balancing functionality and display effectiveness, resulting in zero plastic use across all categories of sales promotional items in fiscal 2024. We maintained this zero-plastic achievement in fiscal 2025 through our commitment to the use of sustainable materials.

Plastic Use in Sales Promotional Items (United States)



Zero-Carbon Society

Disclosure Based on the TCFD Recommendations

102-1, 102-2, 103-1

Our Basic Approach and Strategy

Unicharm announced its endorsement of the TCFD recommendations in May 2019. We have examined the risks and opportunities associated with climate change and disclosed our initiatives, metrics, and targets related to the three areas of governance, strategy, and risk management in accordance with the TCFD framework.



Governance

The president & CEO is responsible for evaluating risks and opportunities related to climate change and for setting and enforcing CO₂ reduction targets. The ESG Committee, chaired by the president & CEO and comprising internal directors, all executive officers, presidents of overseas subsidiaries, and heads of functional divisions, meets quarterly to report and deliberate on overall environmental activities including those related to measures against climate change, our response to social issues, and important issues for governance. For ESG Committee meetings, the ESG Division—which is responsible for responding to Groupwide environmental issues—collects and verifies environmental data and information on our activities every month for each site, and after discussions with the executive officer in charge of ESG, sets agendas for committee meetings.

The activities of the ESG Committee are then supervised by the Board of Directors, which receives reports on committee activities from the executive officer in charge of ESG at least once a year. The ESG Committee and the Board of Directors

perform checks and provide guidance and instructions on these activities in accordance with the progression of Kyo-sei Life Vision 2035. To allow Unicharm to achieve its goals, we also set the term (years) for return on investment, deliberate on investment decisions on a case-by-case basis, implement necessary measures, and aim to meet our targets. Details about specific plans are disclosed based on the recommendations of the TCFD.

Moreover, to ensure that directors and executive officers demonstrate strong leadership toward the accomplishment of ESG strategies and targets, in fiscal 2020 we introduced ESG items into the evaluation indexes used to determine performance-linked compensation for directors (excluding those who are Audit & Supervisory Committee members) and executive officers. Furthermore, from fiscal 2023 ESG criteria were incorporated into performance evaluation indicators for all employees, and from fiscal 2026 these evaluation criteria have been linked to the key themes of Kyo-sei Life Vision 2035.

- P.8** Sustainability Promotion System
- P.22** Basic Environmental Policy > Management Structure
- P.125** Evaluation Indicators for and Basic Policy on Remuneration of Directors and Executive Officers and Fiscal 2025 Remuneration Targets and Results

► Overview of TCFD Pillars and Initiative Status

TCFD Recommended Disclosure Pillars		Unicharm Initiative Status
Governance	Organizational governance with respect to climate-related risks and opportunities	- The ESG Committee, chaired by the president & CEO, meets quarterly and reports deliberations and decisions to the Board of Directors one or more times annually. - In fiscal 2020, we introduced ESG criteria into the evaluation metrics for determining performance-linked remuneration of executive officers. Moreover, from fiscal 2023 ESG criteria were incorporated into the performance evaluation indicators for all employees, and from fiscal 2026 these evaluation criteria have been linked to the key themes of Kyo-sei Life Vision 2035.
Strategy	Impact of climate-related risks and opportunities on organization's businesses, strategy, and financial planning	- We conducted scenario analysis of financial impacts in 2030 based on 1.5°C and 4°C conditions in accordance with the TCFD recommendations. - In Kyo-sei Life Vision 2035, we set reduction targets by scope and disclosed these results. - Through the GHG Emissions Visualization Project, we formulated the GHG emissions reduction roadmap and promoted the visualization of GHG emissions of raw materials.
Risk Management	Methods for identifying, assessing, and managing climate-related risks	Risks and opportunities related to climate change are positioned as "Business Risks," with the ESG Committee discussing details and taking appropriate actions as necessary.
Metrics and Targets	Metrics and targets used to assess and manage relevant climate related risks and opportunities	- In May 2018, we received certification for our 2.0°C target from the Science Based Targets initiative (SBTi). However, to promote further reduction of CO₂ and other greenhouse gases, we established our 1.5°C target, for which we received certification from the SBTi in October 2024. - Under our 2050 Vision, we have set the target of realizing a "three zeros" society (a new society with zero plastic waste, net zero CO₂ emissions, and zero deforestation related to the purchasing of timber) in 2050, and to achieve this, formulated specific targets under the key theme "addressing climate change" in Kyo-sei Life Vision 2035, and disclose progress toward their achievement.

Strategy

Unicharm considers risks and opportunities with reference to our situation year by year (the short term), in alignment with our medium-term management plan (the medium term, 3 to 5 years) and international prospects (the long term, 10 to 20 years) encompassing factors such as the SDGs and the Paris Agreement. We also use an enterprise risk management (ERM) approach to identify business and other risks facing the entire Group and address climate change risks as one of them. In order to respond to the risks and opportunities identified, we are implementing the course of action shown on the right in conjunction with our financial plan.

Scenarios and Planning

Scenario analysis was conducted using two situations assuming global average temperature increases of 1.5°C and 4°C by 2100 compared to pre-industrial times. The Representative Concentration Pathways (RCP) scenario* is used as the basis for calculating estimated physical impacts.

To participate with a scientific approach in efforts focused on the 2°C target indicated in the Paris Agreement of 2015, we received approval from SBTi in 2018 for our reduction target toward 2030. However, due to the need for a more stringent 1.5°C target, announced at COP26, we obtained certification for this target in October 2024.

We have set 2035 targets under the key theme “addressing climate change” in Kyo-sei Life Vision 2035 which represent the

Group’s medium- to long-term ESG goals, and have incorporated the plans into strategies from both short-term and long-term perspectives and implemented them such as by stating environmental considerations as part of product development strategies in the marketing and development divisions and introducing energy-saving activities and renewable electricity in the production division.

* Multiple representative concentration pathway scenarios are prepared to project future climates in each pathway, and various socioeconomic scenarios can be formulated to realize these concentration pathways. These include risks associated with factory operations in coastal areas where sea levels are rising, operational risks associated with supply chain disruptions caused by cyclones and other weather events, risks of lower GDP in equatorial regions due to heat waves, and raw material costs due to delays in the growth of forest resources and the harvesting of crops and other products due to changes in terrestrial ecosystems.

► Risks and Scenarios Envisioned by the Company Based on the TCFD Recommendations

We evaluated impacts on our business and finances on three levels (major, moderate, and minor) and defined financial consequences as follows: major (the impact would lead to a suspension or major downsizing or expansion of our business), moderate (the impact would have a partial effect on our business), and minor (the impact would have a slight effect on our business).

		Evaluation Criteria	Assessed Financial Impact	Financial Consequences		Progress of Unicharm's Measures	Relevance to Kyo-sei Life Vision 2035
				1.5°C	4°C		
Risks	Transition	Policies, laws, and regulations / Technology	Introduction of plastic regulations	Major	Minor	Set targets for reducing the use of petrochemical-derived plastic materials and implemented initiatives to reduce usage	Safeguarding the well-being of our planet Reduction in the amount of plastic materials used
			Increase in material costs (due to mandatory use of recycled materials)			Reused trim of petrochemical-derived plastic materials generated during the manufacturing process as recycled materials for product packaging	Safeguarding the well-being of our planet Reduction in the amount of plastic materials used
		GHG emissions	Increase in factory operation costs (due to the introduction of emissions trading schemes and carbon taxes and rising fuel costs)	Major	Minor	Set 1.5°C target; promoted reductions in energy use through the introduction of energy-efficient equipment, fuel conversion, and energy-saving measures; and promoted the procurement of renewable energy	Safeguarding the well-being of our planet Addressing climate change
			Increase in data aggregation and management costs (due to the need for highly accurate reporting)			Implemented a system for data aggregation and visualization of GHG emissions and formulated and promoted concrete reduction measures	Safeguarding the well-being of our planet Addressing climate change
	Markets	Increase in energy prices	Increase in energy procurement costs (due to fluctuations in retail electricity and gas prices and supply-demand imbalance for renewable electricity)	Major	Minor	Utilized short-term corporate power purchase agreement (PPA) and promoted an energy mix (electricity and gas)	Safeguarding the well-being of our planet Addressing climate change
		Higher raw materials prices	Increase in material costs (due to the impacts of climate change and the need to shift from petrochemical-derived materials to naturally derived materials)	Major	Minor	Promoted horizontal recycling through the <i>RefF</i> Project and advanced R&D for the introduction of naturally derived materials	Safeguarding the well-being of our planet Expanding the social implementation of <i>RefF</i>
		Changes in consumer behavior	Speed and extent of changes in consumer behavior (due to rising ethical awareness among consumers and increasing attention on GHG emissions in product selections)	Major	Minor	Actively raised awareness through public relations activities for the <i>RefF</i> Project and promoted reduction measures based on calculations of GHG emissions of products throughout their lifecycle	Safeguarding the well-being of society Practice of sustainable lifestyles
	Reputation	Criticism toward sectors concerned	Reputational risk (due to our responsibility as a company that uses forest resources, primarily pulp, and the impact of the use of certified materials on determining a company's commitment to environmental initiatives)	Major	Minor	Promoted the use of certified materials, ensured traceability of suppliers, and implemented supply chain management using external platforms	Safeguarding the well-being of our planet Establishing value chains with consideration for sustainability and biodiversity

			Evaluation Criteria	Assessed Financial Impact	Financial Consequences		Progress of Unicharm's Measures	Relevance to Kyo-sei Life Vision 2035
					1.5°C	4°C		
Risks	Physical	Acute	Intensification of extreme weather	• Risk of operational shutdowns (due to supply chain disruptions resulting from floods and other major disasters related to typhoons, cyclones, or weather anomalies)	Major	Major	• Strengthened production systems by restructuring internal business continuity planning (BCP) systems, selecting prospective suppliers and expanding our supplier network, and R&D and utilization of hardwood pulp as a raw material	Safeguarding the well-being of our planet • Addressing climate change
		Chronic	Excess demand for water	• Increase in factory operation costs (due to operational shutdowns caused by unstable supply of forest-derived raw materials, such as pulp and paper, as a result of water resource depletion, discontinued production resulting from limited water supply for nonwoven fabric and pet food manufacturing processes, and increases in water usage costs)	Major	Moderate	• Conducted medium- to long-term water risk analysis using the Aqueduct Overall Water Risk Map (Aqueduct) and introduced water recycling systems at water-intensive nonwoven fabric and <i>Paper Sand</i> manufacturing plants to reduce water withdrawal	—
Opportunities	Products and services	Resource efficiency	Changes in consumer behavior (development and expansion of low-carbon products and services, development of new products and services through R&D and innovation, ability to diversify business activities, shifts in consumer preferences)	• Speed and extent of changes in consumer behavior (due to rising ethical awareness among consumers and increasing attention on GHG emissions in product selections)	Major	Moderate	• Actively raised awareness through public relations activities for the <i>Reff</i> Project and promoted reduction measures based on calculations of GHG emissions of products throughout their lifecycle	Safeguarding the well-being of society • Practice of sustainable lifestyles
		Markets						
		Energy sources	Use of renewable electricity	• Achievement of carbon neutrality by 2050 and reduction of energy costs	Major	Moderate	• Introduced renewable electricity at production sites	Safeguarding the well-being of our planet • Addressing climate change
	Resilience		Climate change adaptation	• Anticipation and management of climate change impacts, including floods, droughts, and heatwaves, to minimize damage and enable rapid recovery and adaptation even in the event of damages	Major	Moderate	• Strengthened production systems by restructuring internal BCP systems, selecting prospective suppliers and expanding our supplier network, and R&D and utilization of hardwood pulp as a raw material	Safeguarding the well-being of our planet • Addressing climate change

Conforming to Regulations and Standards

In response to the transition to a 1.5°C target at COP26, Unicharm has revised its target from 2°C, which was previously approved by the SBTi in 2018, to 1.5°C and resubmitted an application for approval, which was granted in October 2024.

In Japan, we are conducting capital investments (introduction of inverters that offer energy-saving potential) that contribute to an annual 1% increase in energy efficiency as stipulated in the country's Act on Rationalizing Energy Use and Shifting to Non-Fossil Energy.

Establishing a System to Promote the Research and Development of Low-Carbon Products

We request the cooperation of suppliers, from whom we procure raw materials, to provide primary data on GHG emissions for each material. We believe that obtaining such data will enhance the accuracy of estimations for the amount of emissions that can be reduced through the use of different materials, allowing developers to select low-carbon raw materials more appropriately. To promote such efforts, in May 2022, we launched the GHG Emissions Visualization Project through which we are establishing calculation rules and developing systems in accordance with ISO 14064 and the GHG Protocol and collecting primary GHG emissions data for each material.

Risk Management

We use an enterprise risk management (ERM) approach to identify risks to the Group as a whole and engage with climate change risks as one of them.

Groupwide climate-related risk assessment is conducted by the ESG Division. First, we run simulations of climate change impact that cover severity, scope, and transition risks (carbon pricing, energy prices, etc.) based on the recommendations of the TCFD and create multiple qualitative scenarios (1.5°C target scenario and 4°C target scenario) for the period up to 2050, using information from sources such as the IPCC*¹ *Sixth Assessment Report* and the IEA's*² *World Energy Outlook 2023*.

These scenarios are then used, together with the estimated value of damage (calculated as part of site-level risk assessment), to estimate the total damage costs of Group companies. The results of this evaluation are reported to the ESG Committee and the Board of Directors and are then used in the formulation of our business strategy and business plan. In the event that the ESG Committee, in which the Board of Directors and all executive officers participate, judges that the aforementioned scenarios would be impacted, a responsible task team will be established for developing a plan, with the ESG Division acting as secretariat. This plan will then be approved at the next ESG Committee meeting, upon which the responsible team will implement it and report on progress at ESG Committee meetings.

*1 IPCC: Intergovernmental Panel on Climate Change

*2 IEA: International Energy Agency

Metrics and Targets

To develop a specific action plan for mitigating climate change, Unicharm has endorsed the SBTi since May 2017. After conducting simulations up to 2045 and consulting with the SBTi, in June 2018, Unicharm became the 17th company in Japan to have its reduction plan certified for consistency with the 2°C target. Moreover, in light of increasing global momentum to promote the reduction of CO₂ and other greenhouse gases, we obtained certification for the 1.5°C target in October 2024. We have set specific long-term CO₂ reduction targets for both Scope 1 (direct emissions from our own factories, offices, vehicles, etc.), Scope 2 (indirect emissions from our own factories, vehicles, etc.), and Scope 3 (indirect emissions from the supply chain).



1.5°C Target (Base Year: 2021, Target Year: 2031)

- Reduce Scope 1 and Scope 2 greenhouse gas emissions by 46.2%
- Reduce Scope 3 greenhouse gas emissions by 27.5%

By achieving these goals, we will also be preparing for the following risks.

- (1) If regulations are strengthened in order to achieve the goals of the Paris Agreement, there is a risk that the development of energy-saving measures and the purchase of emissions credits will become necessary and that costs will rise for electric power companies, manufacturing sites, and suppliers.
- (2) Electricity prices in Japan have risen by approximately 10% on average due to carbon taxes and the cost structure for purchasing renewable electricity. If carbon taxes are introduced in all of the overseas countries and regions where Unicharm carries out manufacturing or the cost structure for purchasing renewable electricity is not improved, operating costs could rise by 10%.

Unicharm has established a medium- to long-term vision and targets for climate change in its 2050 Vision and Kyo-sei Life Vision 2035. "Reducing CO₂ emissions associated with raw materials procurement" (Scope 3, Category 1), "reducing CO₂ emissions in manufacturing" (Scope 1 and Scope 2), and "reducing CO₂ emissions associated with disposal of used products" (Scope 3, Category 12), which account for a large proportion of CO₂ emissions over the product life cycle, have been set as our targets for climate change response. For Scope 1 and Scope 2, meetings on energy conservation and renewable energy are held with promoters of environmental activities at each site four times a year, and monitor the progress of annual plans. For "CO₂ emissions from raw materials procurement" (Scope 3, Category 1) that form the bulk of our Scope 3 emissions, we perform LCAs*³ to calculate CO₂ emissions for each product from the design phase onward, and product developers and the ESG Division discuss these emissions and consider countermeasures from the perspectives of product function and CO₂ emissions.

*3 LCAs: Life Cycle Assessments. A method used to quantitatively assess the potential environmental impact on our planet and ecosystem of the resources used and CO₂ emissions generated throughout a product's life cycle, encompassing raw materials procurement, production, logistics, use, and disposal

P.41 CO₂ Emissions Throughout the Supply Chain (Overall Picture of Scopes 1 to 3)

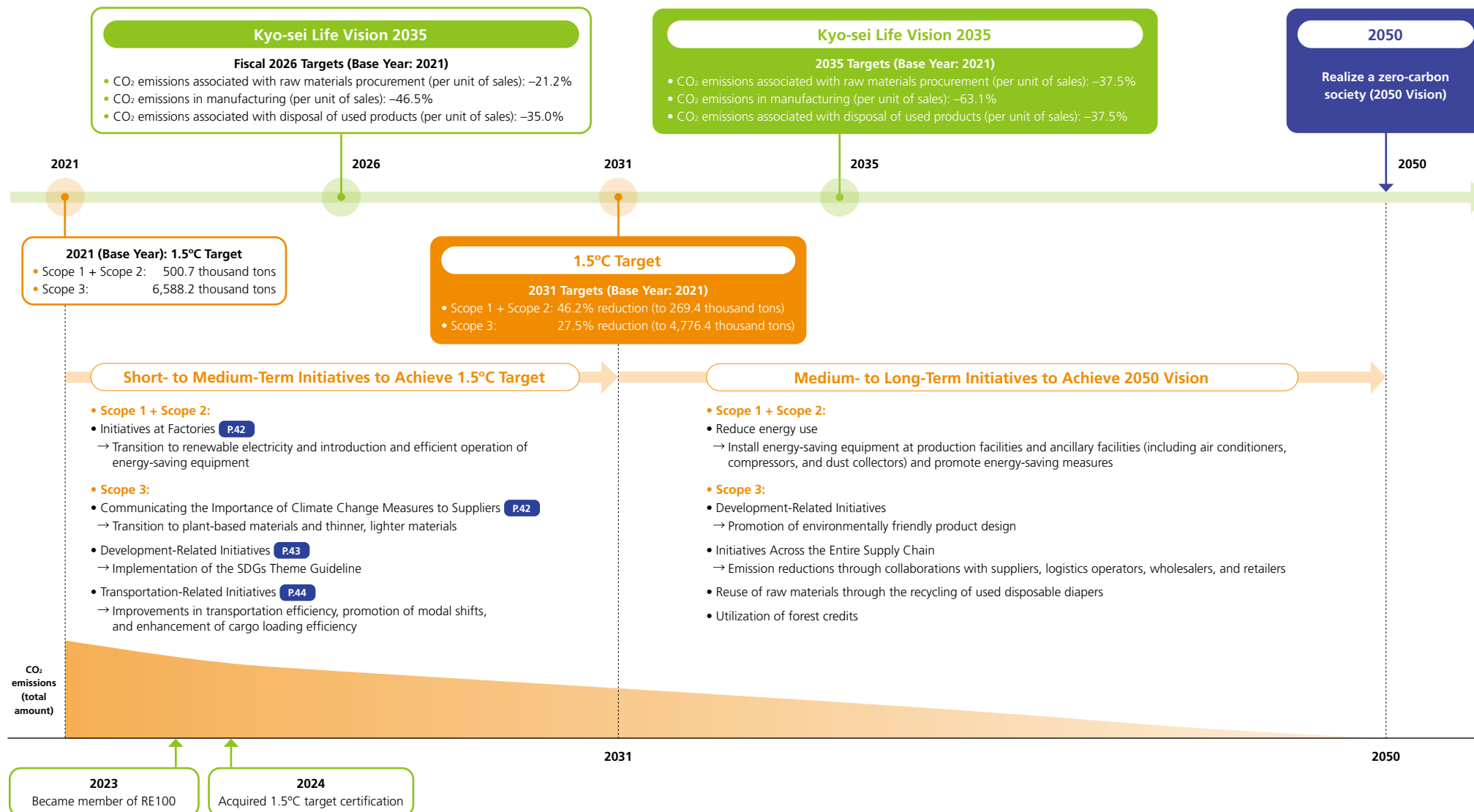
P.42 CO₂ Emissions Associated with Raw Materials Procurement

P.42 CO₂ Emissions During Manufacturing, Sales, and Distribution

Zero-Carbon Society

Roadmap to Realizing a Zero-Carbon Society

102-2, 103-1



Zero-Carbon Society

Climate Change

102-4, 102-5, 102-6, 102-7, 102-9

Our Basic Approach and Strategy

Unicharm recognizes that climate change is an issue that must be addressed with a matter of urgency. Therefore, in order to contribute to achieving the 2°C target*¹ indicated in the Paris Agreement at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), we received certification in June 2018 under the Science Based Targets initiative (SBTi) for our CO₂ reduction plans up to 2030. Following the adoption of a more stringent 1.5°C target*² at COP26 in 2021, we resubmitted our 1.5°C target to the SBTi for certification and in October 2024 received certification for our CO₂ reduction plans through 2031. We also endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019 and continue to report in accordance with its framework. Furthermore, in November 2023, we became a member of RE100 to achieve the goal of switching to 100% use of renewable energy in our business activities by 2030 as set forth in Kyo-sei Life Vision 2030, announced in October 2020.

Regarding Environmental Targets 2030, announced in 2020, we identified response to climate change as a material issue. With “realizing a zero-carbon society” as the ultimate goal under our 2050 Vision, we established 2030 targets as milestones toward achieving this goal and have been implementing measures in accordance with the reduction plans certified by the SBTi. In 2025, based on the results of initiatives over the past five years, we integrated the measures we will continue to implement and the targets we will continue striving to achieve into Kyo-sei Life Vision 2035, with the aim of further accelerating these efforts.

Specifically, we will utilize internal carbon pricing at our factories and transition to equipment with higher energy efficiency when they need to be replaced or upgraded. To steadily proceed

with such efforts, we have introduced checklists for factory workers, established criteria for equipment selection, and implemented other measures to promote the proactive selection of energy-efficient equipment and maintenance, inspection, and operational management from an energy-saving perspective. Furthermore, to reduce CO₂ emissions across the entire product life cycle, we will continue to work in cooperation with external organizations, such as the Japan Climate Initiative (JCI), Japan Climate Leaders' Partnership (JCLP), GX Future Consortium, and Renewable Energy 100% (RE100). At the same time, we will continue to actively encourage all parties involved in our supply chains to reduce their emissions throughout the product life cycle.

*1 Aims to limit the increase in global average temperature to under 2°C above preindustrial levels in accordance with the Paris Agreement reached at COP21 in 2015

*2 COP26 in 2021 incorporated the pursuit of efforts to limit the temperature to within 1.5°C instead of the 2°C stipulated in the Paris Agreement.

P.35 Disclosure Based on the TCFD Recommendations



Risks and Opportunities

P.38 Disclosure Based on the TCFD Recommendations > Risk Management

Joint Establishment of New Working Group Within GX League

In July 2025, Unicharm Corporation, Deloitte Tohmatsu LLC, and NTT DOCOMO BUSINESS Inc. established a new working group within the framework of the GX League (at the time) led by the Ministry of Economy, Trade and Industry. This new group, titled the “Working Group for Examining Green Market Creation via Intermediate Emitters” aims to balance the realization of a decarbonized society with sustainable economic development. It was a platform for intermediate emitters to collaborate in identifying common issues based on actual conditions and creating a mechanism to resolve them. The common views on measures to visualize the green market and data distribution gained through discussions focused on social implementation were compiled into a “Vision Paper” presentation and published in March 2026.

web “Vision Paper” presentation (in Japanese only)

https://gx-league.go.jp/aboutgxleague/document/wg_visionpaper_202603.pdf

Endorsement of “Save Our Summers - 8/8 (SOS)”

Unicharm endorses the purpose of “Save Our Summers - 8/8 (SOS)” established by the Japan Climate Leaders' Partnership (JCLP).

The average annual temperature in Japan has risen, albeit with fluctuations, at a rate of approximately 1.4°C per century. Years with high temperatures have become more frequent, particularly since the 1990s.*³ Meanwhile, during the hottest period from late July to early August, there has previously been no commemorative day in relation to climate change, making it difficult to raise awareness of global warming. In response, the JCLP took the lead in establishing August 8 as “Save Our Summers - 8/8 (SOS)” based on the unique concept of an anniversary created to eventually stop global warming.

*3 Based on studies by the Japan Meteorological Agency

web Japan Climate Leaders' Partnership (JCLP)

<https://japan-clp.jp/en>



Management Structure

P.35 Disclosure Based on the TCFD Recommendations > Governance

Indicators and Targets

► Kyo-sei Life Vision 2035: Safeguarding the Well-Being of Our Planet

Indicators	Target	Target Year
Reducing CO ₂ emissions associated with raw materials procurement	37.5% reduction per unit of sales (compared with 2021)	2035
Reducing CO ₂ emissions in manufacturing	63.1% reduction per unit of sales (compared with 2021)	
Reducing CO ₂ emissions associated with disposal of used products	37.5% reduction per unit of sales (compared with 2021)	

Initiatives and Results

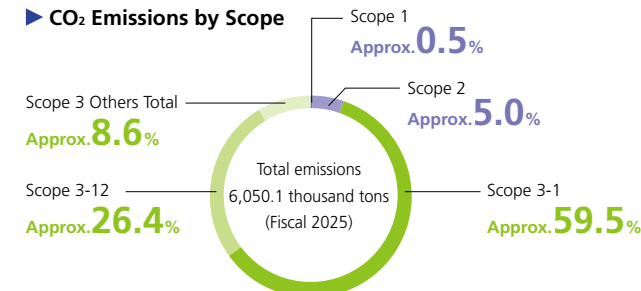
CO₂ Emissions Throughout the Supply Chain (Overall Picture of Scopes 1 to 3)

Unicharm calculates its CO₂ emissions according to the GHG Protocol,*¹ the standard for calculating greenhouse gas emissions most widely used in the world today. In fiscal 2025, life cycle CO₂ emissions were estimated to be approximately 59.5% for Scope 3 purchased materials, 26.4% for end-of-life treatment of sold products, 8.6% for others, and 5.5% for Scope 1 and Scope 2 manufacturing. Based on these estimates, we are working to reduce CO₂ emissions at all stages of the life cycle, from raw materials procurement to end-of-life treatment of sold products.

► CO₂ Emissions by Scope and Category

(Thousand tons)					
Scope	Category	Fiscal 2023	Fiscal 2024	Fiscal 2025	Remarks
Scope 1	Direct emissions	29.2	30.1	29.9	
Scope 2	Indirect emissions from energy sources	376.9	354.6	303.1	
Scope 3* ²	1 Purchased goods and services	3,756.1	3,936.5	3,597.7	
	2 Capital goods	99.0	121.2	85.8	
	3 Fuel- and energy related activities not included in Scope 1 or Scope 2	51.1	49.5	45.2	
	4 Upstream transportation and distribution	225.5	252.1	264.4	* ³
	5 Waste generated in operations	28.7	26.2	25.7	
	6 Business travel	2.0	2.1	2.1	
	7 Employee commuting	12.8	13.2	11.8	
	8 Upstream leased assets	0.0	0.0	0.0	* ⁴
	9 Downstream transportation and distribution	81.0	77.8	68.5	* ³
	10 Processing of sold products	0.0	0.0	0.0	* ⁴
	11 Use of sold products	0.0	0.0	0.0	* ⁴
	12 End-of-life treatment of sold products	1,875.7	1,756.5	1,597.7	
	13 Downstream leased assets	0.0	0.0	0.0	* ⁴
	14 Franchises	0.0	0.0	0.0	* ⁴
	15 Investments	34.7	21.3	18.3	
Total for Scope 3		6,166.5	6,256.4	5,717.1	
Total		6,572.6	6,641.1	6,050.1	

► CO₂ Emissions by Scope



P.145 Environmental Data > CO₂ Emissions by Scope and Category

► Life Cycle CO₂ Emissions Ratio



Note: As a general rule, figures are rounded off to the nearest unit. Accordingly, the total amount may be different from the sum of its components.

*¹ In 1998, the GHG Protocol initiative was established to develop standards for calculating and reporting GHG emissions, led primarily by the World Resources Institute (WRI), an environmental NGO based in the United States, and the World Business Council for Sustainable Development (WBCSD), which comprises over 200 multinational corporations. In 2001, the first edition of the GHG Protocol Corporate Standard was established and, since then, this approach to calculating GHG emissions has become a global standard.

*² Scope 3 was calculated using values from LCI database AIST-IDEA Ver. 3.5.1 Standard Edition Research Laboratory for IDEA, RISS, AIST, IPCC2021 with LULUCF AR6. Moreover, Scope 3 emissions up to fiscal 2024 were recalculated using the same database.

*³ The overseas portion of 3-1, 3-2, 3-3, 3-5, 3-6, 3-7, 3-12, and 3-15 are calculated based on activity level, while other categories are estimated based on sales weight.

*⁴ Does not apply to any work process

CO₂ Emissions Associated with Raw Materials Procurement

With regard to Scope 3, including CO₂ emissions associated with raw materials procurement, we have received certification from the SBTi for our targeted reduction in CO₂ emissions of 27.5% by 2031 compared to the base year of fiscal 2021. In fiscal 2025, we promoted the development of lighter, slimmer products and thinner packaging, and the transition to biomass and recycled materials.

P.145 Environmental Data > CO₂ Emissions by Scope and Category

Communicating the Importance of Climate Change Measures to Suppliers

As CO₂ emissions from raw material procurement (Scope 3, Category 1) and disposal of products after use (Scope 3, Category 12) account for approximately 59.5% and 26.4% of the overall product life cycle, respectively, it is essential that we promote measures together with suppliers.

We are promoting the reduction of CO₂ emissions by actively requesting suppliers to switch to renewable electricity, use plant-derived biomass materials and recycled materials, and thinner and lighter materials. In addition, we request suppliers to provide primary data on GHG emissions, which is used in calculating life cycle CO₂ emissions for our products. These efforts by our suppliers contribute significantly to reducing carbon emissions not only during raw material procurement but also during disposal of products after use.

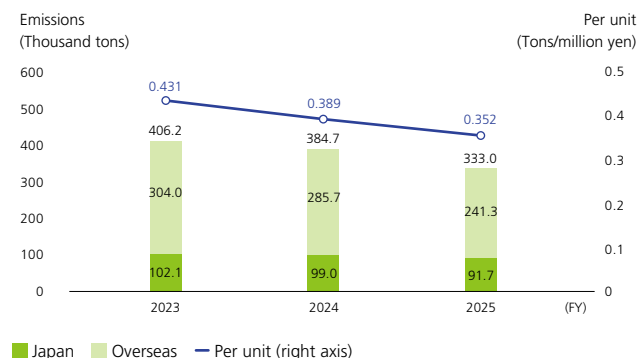
P.23 Medium- to Long-Term Policy Briefing Session for Suppliers

CO₂ Emissions During Manufacturing, Sales, and Distribution

Initiatives at Factories

For Scope 1 and Scope 2, we are promoting the transition to renewable electricity and working across the Group to reduce CO₂ emissions. Meetings on energy conservation and renewable energy are held four times a year with promoters of environmental activities at each site to promote their respective energy conservation activities and procurement of renewable energy by formulating annual plans, confirming progress, and sharing best practices for reducing electricity consumption and switching to renewable energy. In fiscal 2025, CO₂ emissions per unit during manufacturing was 0.352 tons per million yen, a 63.6% decrease (per unit of sales) from the fiscal 2016 base year.

Progress on CO₂ Emissions (Scope 1 and Scope 2)*



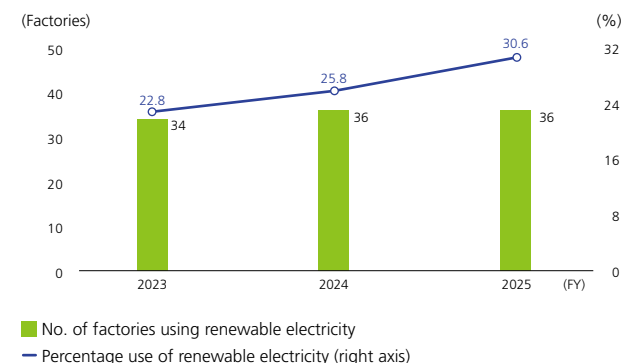
* Consolidated net sales is used as the denominator to calculate "Per unit (Tons/million yen)."

P.145 Environmental Data > Scope 1 and Scope 2 CO₂ Emissions

Switching to Renewable Electricity

In fiscal 2025, following one new introduction of renewable electricity at a factory and the consolidation of factories, a total of 36 factories have introduced renewable electricity. As a result, the Group's renewable electricity ratio increased by 4.8 percentage points to 30.6%, leading to a reduction of approximately 130 thousand tons of CO₂ emissions per year.

No. of Factories Using Renewable Electricity and Percentage Use of Renewable Electricity



Factories Using 100% Renewable Electricity

Commencement of Operations Factory	Name
January 2017	Jaguaríuna Factory (Brazil)
September 2020	Kyushu Factory (Japan)
February 2021	Itami Factory (Japan)
April 2021	Toyohama Works, Shikoku Factory (Japan)
December 2021	Hartz Pleasant Plain Factory (United States)
March 2022	Saitama Factory (Japan)
April 2022	Mie Factory (Japan)
April 2022	Peparlet's three factories (Japan)
April 2023	Unicharm Kokko Nonwoven (3 manufacturing sites) (Japan)
April 2023	Cosmotec (Japan)
April 2023	Kinsei Products (Japan)
March 2024	Peparlet's Shimada Factory (Japan)

• Installation of Energy-Saving Equipment and Efficient System Operation

Energy-saving measures are being implemented at each factory, including the introduction of high-efficiency motors and other energy-saving equipment, efficient equipment operations such as motor speed adjustments and the use of inverters, measures to prevent air leaks from compressors, and the use of LED lighting. Meetings on energy conservation and renewable energy are held four times a year to share best practices and expand energy conservation and renewable energy measures throughout the Group.

► Key Initiatives

Countries	Initiatives
Indonesia	Reduced compressor pressure by approximately 20%; reduced air conditioning electricity consumption by installing insulation jackets and boxes on dust collector piping and other equipment to suppress heat dissipation
India	Reduced power consumption by lowering rotational speed through changes to pulley diameter used in fan motors of production equipment
Egypt	Reduced power consumption by 10%–20% by optimizing motor rotation speed of suction fans
South Korea	Reduced CO ₂ emissions by approximately 388 tons in fiscal 2025 by improving compressor operating efficiency and revising temperature settings for hot-melt adhesive, among other measures
China	Reduced CO ₂ emissions by approximately 392 tons in fiscal 2025 by promoting proactive energy-saving initiatives at five factories, such as replacing vacuuming motors on packaging machines with energy-efficient models, switching to lower output motors for crushers, and adding automatic control systems on electric heaters
Thailand	Participated in energy consulting program with Electricity Generating Authority of Thailand (EGAT) to reduce energy consumption within organization; obtained energy efficiency certification

■ Development-Related Initiatives

Unicharm applies the SDGs Theme Guideline with the aim of constantly improving product quality and reducing environmental impact during the new product development and improvement stages. This guideline aims to develop products and services that contribute to achieving the SDGs by realizing reduced input (contributing to reductions in environmental impact through reduced use of raw materials) and increased output (ensuring greater customer satisfaction by providing even more value through our products and services). In fiscal 2025, we introduced Unicharm's proprietary glue-free technology, which eliminates the use of hot-melt adhesive used in bonding, to *MamyPoko Pants* disposable baby diapers, reducing greenhouse gas emissions by approximately 1,300 tons per year. Through these activities, we provide products and services that contribute to resolving environmental and social issues through Unicharm's business.

In addition, when installing new production equipment or updating existing models as part of technological development, we focus on energy conservation in our designs, such as the use of inverters, changes in pulley diameters for fans, and reducing the weight of rolls.

P.63 SDGs Theme Guideline: Internal Guideline for Contributing to Sustainability

• Acquisition of Carbon Footprint Certification

Unicharm's local subsidiary in Thailand, DSG International (Thailand) Public Company Limited (DSGT) acquired carbon footprint*¹ certification for four disposable baby and adult diaper products. This represents the first carbon footprint certification for disposable diaper products in Thailand.

DSGT has also obtained certification for ISO 14064-1, the international standard for calculating and reporting an organization's GHG emissions and removals.

*1 System indicating GHG emissions throughout the entire life cycle of products and services, from the procurement of raw materials, to disposal and recycling, converted to CO₂

■ Office-Related Initiatives

We have established 22 energy-saving measures including appropriate air conditioning settings, use of blinds, turning off unnecessary lights, and recommending the use of stairs, and continue to promote energy-saving efforts in the office.

• Unplugging Activities

In response to recent tight energy supply and demand conditions, we are promoting unplugging activities. Every day from 12:00 to 16:00 is designated peak power time, during which laptop computers are unplugged from power outlets and used on battery power to the extent that it does not interfere with business operations, and smartphone and cell phone charging is discouraged.

• Super Cool Biz and Warm Biz

To save electricity, we set air conditioning temperatures to 28°C in summer and 20°C in winter. We have implemented Super Cool Biz and Warm Biz since fiscal 2011, and permit employees to work wearing polo shirts in summer and jumpers in winter.

P.114 Matching Fund (Support for Disaster-Affected Areas)

• Head Office Relocated to ZEB Ready Certified Office Tower

In July 2023, we relocated our head office to a new ZEB Ready*² certified office tower that consumes 50% less energy compared with conventional buildings. Primary energy consumption has been reduced by more than 50% through the installation of solar power generation systems, highly insulated glass, and high-efficiency air conditioning and lighting equipment. Electricity consumption has decreased by approximately 40% since the relocation.

*2 One in four tiers of the Net Zero Energy Building (ZEB) series. The certification criteria for ZEB Ready are applied to buildings that reduce primary energy consumption by 50% or more from the standard primary energy consumption through energy conservation, excluding renewable energy.

Transportation-Related Initiatives

Unicharm has been working with business partners to improve transportation efficiency, promote modal shift, and enhance cargo loading efficiency by making corrugated smaller cardboard and streamlining pallet modules, etc. These are some of the measures actively being pursued toward the reduction of CO₂ emissions during transportation and the development of a sustainable logistics structure.

Countries	Initiatives	
Japan	Expanding Modal Shift Using Trains and Ships	As part of efforts to reduce CO ₂ emissions, we are promoting a modal shift to rail and maritime shipping, which emit less GHG than trucks. Unicharm Products Co., Ltd. has been certified as a leading business under the Eco-Ship Mark certification system. We are also working to expand environmentally friendly rail transportation, especially for long-distance transportation between our Fukushima and Shikoku factories, and in fiscal 2019 we received Eco-Rail Mark certification, promoted by the Ministry of Land, Infrastructure, Transport and Tourism.
	Round-Trip Transportation via Rail Freight Containers	In fiscal 2025, Unicharm Products and Suntory Logistics, Ltd., a logistics subsidiary of Suntory Holdings Limited, began round-trip transportation via rail freight containers between the Kanto and Shikoku regions. Under this initiative, shipments previously transported by one-way trucks are now transported by rail freight. Unicharm Products and Suntory will work together to transport Unicharm hygiene products on the outbound route (Shikoku to Kanto) and Suntory alcoholic beverages and soft drinks on the inbound route (Kanto to Shikoku). This initiative is expected to reduce truck operations by approximately 200 trips per year and CO ₂ emissions by around 180 tons annually.
	Joint Delivery of In-Store Promotional Materials	Unicharm Corporation has been working together with FineToday Co., Ltd. and Lion Corporation for the integration of logistics operations for promotional materials used at retail stores and on sales floors, conducting joint deliveries since fiscal 2019. This collaborative effort between three companies to minimize environmental impact through using the same packaging materials, bundling deliveries, reducing the use of delivery trucks, conserving resources, and reducing CO ₂ emissions. It also contributes to improvements in backyard operations by reducing the burden of receiving cargo and the storage space for promotional materials at retailers.
	Establishing Distribution Points on the Outskirts of Consumption Areas	By consolidating products that were previously concentrated at distribution point far from the areas of greatest consumption from factories into distribution point established near the consumption areas, we are reducing waste in delivery, improving delivery efficiency, and reducing CO ₂ emissions.
	Adopting Ultrasonic Coupling Technology to Improve Transportation Efficiency	By changing the method of joining the elastic thread at the waist area of <i>Lifree Thin Lightweight Comfortable Pants</i> disposable adult diapers from conventional hot-melt adhesive to ultrasonic bonding, we eliminated the need to consider the impact of compression on adhesives. As a result, the package size is approximately 10% more compact.* This initiative is expected to enhance loading efficiency during distribution and delivery and reduce CO ₂ emissions by approximately 220 tons per year. * Front width comparison
China	Using EV Trucks for Deliveries	In China, we anticipate an approximate 42% reduction in CO ₂ emissions by switching from gasoline vehicles to electric vehicles for short-distance deliveries. We are also looking to adopt new energy sources for trucks used in long-distance deliveries.
	Improving Loading Efficiency Through Use of Thinner Packaging	We reduced the thickness of its product sample packaging by about 30% by mixing washi (Japanese paper). It also reduced CO ₂ emissions during transport and deliveries by approximately 50% through improvements in loading efficiency as a result of changing the method of filling packages and further reducing volume.
Australia	Environmental Efforts at Warehouses	In cooperation with a logistics operator, we are reducing CO ₂ emissions by switching the power source for forklifts used in its warehouses to solar power batteries.

CO₂ Emissions Associated with End-of-Life Treatment of Sold Products

Unicharm works to reduce CO₂ emissions when used products are disposed of by promoting the 3Rs (reducing the amount of materials used by making products lighter and slimmer, using thinner packaging, and other efforts; reusing by providing refill and replacement products; and recycling used disposable diapers and other products). Through these efforts, in fiscal 2025 we reduced CO₂ emissions from the disposal and processing of used products by 45.4% (per unit of sales) compared with fiscal 2016.

P.30 Reducing Usage of Plastic in Packaging Materials

P.31 Product Initiatives

Raising Awareness of Proper Waste Separation and Disposal Methods

Although waste disposal methods vary between countries and regions, in some countries and regions where we provide our products, waste separation and collection are not widespread. In addition to raising awareness of proper disposal methods through product packaging, we conduct classes in various countries and regions for children, who are the future of our society, on the correct way to dispose of garbage, how garbage can be transformed into resources through sorting, and the recycling of used disposable diapers.

P.32 Raising Awareness About Proper Disposal of Used Products

GHG Emissions Visualization Project

102-9

In May 2022, we formed the GHG Emissions Visualization Project to further enhance the promotion of initiatives responding to climate change in Environmental Targets 2030 and Kyo-sei Life Vision 2030. This project aims to quantitatively visualize Carbon Footprint of Products (CFP)*¹ on a product-by-product basis and identify and implement concrete reduction measures. For this project, we teamed with Wastebox, Inc., which specializes in emissions calculation, and obtained the support of Deloitte Tohmatsu LLC, which boasts a wealth of experience in providing comprehensive support for carbon neutrality.

Unicharm will continue to advance these initiatives in fiscal 2026 and beyond with a view to achieving Kyo-sei Life Vision 2035 and complying with the sustainability disclosure standards of the Sustainability Standards Board of Japan (SSBJ).

Phase 1: Visible (Visualization of GHG Emissions)

In fiscal 2022, we established a calculation system in accordance with GHG Protocol international standards and developed a system that enables CFP values to be calculated by company and product. We also obtained information on primary GHG emissions data*² for each material covering approximately 80% (on a purchase amount basis) of personal care product materials procured mainly in Japan. These measures allow us to not only calculate GHG emissions in accordance with global standards, but also reflects supplier efforts to mitigate climate change and improve productivity, including more accurate visualization of GHG emissions for each material.

Phase 2: Measurable (Scenario Analysis)

In fiscal 2023, the CFP value calculation system constructed in Phase 1 commenced operation, and the accuracy of the values for each product was verified. We recognize that decarbonization is an issue for which it is difficult to achieve significant results on our own, and we believe it is important to expand our efforts beyond daily necessities to encompass the entire industry. To this end, we also held three information exchange meetings on the theme of visualizing GHG emissions in May, August, and November, inviting relevant government ministries and agencies, other businesses in our industry, and environment-related companies. In addition to complying with international calculation rules, we exchanged opinions extensively on how ultimately labeling should be easy to understand and familiar to consumers when they select products and services.

Phase 3: Manageable (Implementation of Measures)

In fiscal 2024, Unicharm obtained approval for its calculation rules under the Internal-PCR approval program*³ of the Sustainable Management Promotion Organization (SuMPO). In addition, we conducted demonstration tests for the development of a primary data distribution platform to expand the effective use of primary data for each material collected and utilized in Phase 1 and Phase 2 to industry peers and material manufacturers.

In fiscal 2025, Unicharm launched the “Working Group for Examining Green Market Creation via Intermediate Emitters” within the framework of the GX League (at that time) led by the Ministry of Economy, Trade and Industry. The Company also conducted hotspot analysis and gap analysis to develop concrete reduction plans. The initiative was also expanded to the pet care field and deployed at our local subsidiaries in Thailand and Indonesia.

Furthermore, Unicharm held three information exchange meetings over two years (March 2024, October 2024, and June 2025), primarily with industry peers, exchanging opinions with the Japan Business Federation (Keidanren) and the Japan Hygiene Products Industry Association.

*1 System indicating GHG emissions throughout the entire life cycle of products and services, from the procurement of raw materials, to disposal and recycling, converted to CO₂

*2 Data collected and measured by the business responsible for calculations (e.g., electricity consumed in the manufacture of its products, etc.), as well as those obtained through interviews, etc. with external stakeholders (e.g., understanding of company-related emissions by business partners)

*3 By constructing and operating a highly reliable and suitable Internal-PCR system, we aim to visualize the environmental information of our products in an effort to achieve carbon neutrality and promote internal and external communication using environmental information such as CFP.

Biodiversity

Biodiversity Conservation

101-1, 101-2, 101-4

Our Basic Approach and Strategy

Unicharm promotes the use of resources in a sustainable manner based on the belief that damage to biodiversity caused by our business activities would result in tremendous damage to the entire value chain. With regard to pulp, paper, and palm oil in particular, which we use as raw materials, we established the Forest-Derived Raw Materials Procurement Guidelines, procure materials only from properly managed forests, and contribute to the mainstreaming of biodiversity by eliminating illegally logged timber and protecting the rights of local residents and forestry-related workers.

In Environmental Targets 2030, announced in 2020, Unicharm identified “helping prevent deforestation (response to procurement-related issues)” as a key biodiversity-related issue. While positioning “realizing a society with zero deforestation related to the purchasing of timber,” one of the “three zeros” of our 2050 Vision, as the ultimate goal, we established 2030 targets as milestones toward our vision of where we want to be in 2050 and began implementing concrete initiatives. In 2025, based on the results of initiatives over the past five years, Unicharm integrated the implementation items and targets of Environmental Targets 2030 into Kyo-sei Life Vision 2035 with the aim of further accelerating its response to environmental issues.

Moreover, as a supporter of the “Declaration of Keidanren on Biodiversity and Action Policy (Revised Version),” we participate in the “Keidanren Initiative for Biodiversity.” In response to the adoption of the Kunming–Montreal Global Biodiversity Framework at the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity in December 2022 and approval of the

National Biodiversity Strategy and Action Plan of Japan 2023–2030 by the Cabinet of Japan in March 2023, Unicharm formulated and announced the Unicharm Group Biodiversity Response

Declaration in February 2025, in accordance with the No Deforestation, No Peat, No Exploitation (NDPE) policy.



► Unicharm Group Biodiversity Response Declaration

Unicharm is committed to conserving biodiversity and the natural environment in all aspects of its corporate activities, based on the following principles:

Understanding Our Dependence and Impact on Biodiversity:

We will strive to deeply understand the relationship between our business activities and biodiversity. We will continuously identify and assess our dependence and impact on biodiversity throughout the entire life cycle of our products, from raw materials procurement to manufacturing, use, and disposal.

Minimizing Our Environmental Footprint:

We will endeavor to minimize our impact on biodiversity throughout the entire life cycle of our products. This includes addressing deforestation, water resource consumption, and climate change.

Utilizing Sustainable Resources:

We will use sustainably sourced raw materials throughout our supply chain. For raw materials that have a significant impact on biodiversity, such as pulp, palm oil, and wood-derived fibers, we will promote the use of certification systems and improve traceability.

Promoting Biodiversity Conservation Activities:

We will actively engage in forest conservation, water resource protection, ecosystem restoration, and other activities in cooperation with local communities where we operate.

Coexisting with Local Ecosystems:

We will respect the ecosystems in the areas where we operate and aim to coexist with local communities and the natural environment without causing biodiversity loss.

Empowering Our Employees:

We will implement educational and awareness-raising activities to encourage all Unicharm Group employees to embrace this declaration and take positive action to conserve biodiversity and the natural environment.

Collaborating with Stakeholders:

We will promote collaboration in conserving biodiversity and the natural environment by working with various stakeholders, including government agencies, international organizations, NGOs/NPOs, local communities, and business partners.

February 10, 2025
Takahisa Takahara
President & CEO
Unicharm Corporation

► Forest-Derived Raw Materials Procurement Guidelines

Introduction

Unicharm recognizes the seriousness of environmental issues that have emerged in recent years, including the impact of global warming and loss of biodiversity, and aims to realize procurement of sustainable raw materials. Being fully aware that our business operations are dependent on natural resources, Unicharm supports procurement models that do not involve destruction of forests. We will also take initiatives toward current environmental issues regarding plantations of palm oil.

Strategy

With climate change-related risks having risen significantly in recent years, besides striving to reduce the burden placed on the environment and to safeguard the environment, Unicharm is also making a serious effort to promote supply chain management that takes biodiversity into account, in line with the goal of building a sustainable society.

Therefore, we are committed to environmental conservation through the operation of the Forest-Derived Raw Materials Procurement Guidelines, which further specify and enhance the Basic Environmental Policy and the Basic Policy of Procurement more specific regard to biodiversity.

Goals

By 2030, Unicharm aims to only procure raw materials that are sustainably sourced and recycled and achieve 100% supply chain traceability for the pulp and paper used in the absorbent materials of its products and the small quantities of palm oil used in its pet foods.

When using virgin pulp other than wastepaper or recycled pulp, we work with suppliers to fully ensure that it does not contribute to deforestation. More specifically, we confirm whether the pulp and paper used in our products have obtained third-party certification, including the Programme for the Endorsement of Forest Certification (PEFC), and certificates of origin other than high conservation value forests (HCVFs) or high carbon stock forests (HCSFs). As for palm oil, we are switching to the use of Roundtable on Sustainable Palm Oil (RSPO)-certified oil.

In addition, we will readily participate in the activities of industry organizations and strive to use sustainably sourced forest resources in our products.

Action Guidelines

- (1) Prioritize the use of wastepaper, recycled pulp, and mill broke (paper trimmings and scrap generated during the paper manufacturing process)
- (2) Prioritize the use of forest resources certified by reputable third parties such as the PEFC
- (3) In the case of forest resources for which third-party certification is not available, promote the establishment of supply chains that are verified for the following:
 - certificates of origin and tags, etc., to ensure that the resources in question are not logged from HCVFs or HCSFs
 - a guarantee that no damage is caused to forests
 - respect for the human rights of workers and indigenous residents and prohibition of forced and child labor
 - compliance with local laws and regulations

Disclosure Based on the TNFD Recommendations

Unicharm's nature-related issues and initiatives are disclosed based on the four pillars of the Taskforce on Nature-related Financial Disclosures (TNFD): governance, strategy, risk and impact management, and metrics and targets.

Recommended Disclosures		Unicharm's Approach
Governance	Organizational governance framework	• Oversight structure: The ESG Committee, chaired by the president & CEO and convened four times a year, shares and reports on plans and progress regarding key biodiversity issues, which are submitted to the Board of Directors for approval. • Policy framework: In addition to the Basic Environmental Policy and the Basic Policy of Procurement, Unicharm operates the Forest-Derived Raw Materials Procurement Guidelines, specifically focused on biodiversity, to promote resource conservation. • Promotion structure: For forest-derived raw materials, the ESG Division and the Procurement Department work together to promote a transition to third-party certified raw materials (PEFC and RSPO).
Strategy	Nature-related risks and opportunities and their impacts on business	• Vision: Unicharm has established "realizing a society with zero deforestation related to the purchasing of timber" as one of the "three zeros" of its 2050 Vision.
	Risk identification	• Pulp: Disruption of supply-demand balance due to climate change (including droughts and forest fires), obstacles to stable procurement, and rising prices • Palm oil: Increased procurement costs due to growing demand for certified oil, potential suspension of transactions and boycotts (reputational risk) if impacts on biodiversity are not considered
	Opportunities	• Stable procurement and cost control through the use of certified materials • Increased consumer support and sales growth through biodiversity-conscious products • Reduced transportation costs and regional contribution through the use of hardwood pulp (local production for local consumption)
Risk and impact management	Risk identification, assessment, and management process	• Application of guidelines: Unicharm prioritizes the use of third-party certified materials, such as PEFC, based on the Forest-Derived Raw Materials Procurement Guidelines. When certification is not available, the Company verifies proof of origin to ensure traceability, confirming that materials are not sourced from high conservation value forests (HCVFs) and high carbon stock forests (HCSFs) and that deforestation does not occur. • Palm oil management: Unicharm joined the RSPO in fiscal 2017 and promotes the procurement of certified sustainable palm oil. The Company is also working to enhance traceability to plantations in collaboration with partners such as the Fuji Oil Group. • Supply chain management: Suppliers are encouraged to comply with the Sustainable Procurement Guidelines, which stipulate consideration for human rights and the environment.
Metrics and targets	Establishment of medium- to long-term targets	• Under the 2050 Vision, Unicharm has declared the goal of "realizing a society with zero deforestation related to the purchasing of timber" and to that end, has set specific targets under Kyo-sei Life Vision 2035 and discloses the progress thereof.

► Kyo-sei Life Vision 2035: Safeguarding the Well-Being of Our Planet

Indicators	Target	Target Year
Ensuring traceability to pulp and palm oil production locations (country/region)	100%	2035
Expanding the use of certified pulp (PEFC- and CoC-certified)	100%	
Expanding the use of certified palm oil (RSPO-certified)	100%	

Initiatives and Results

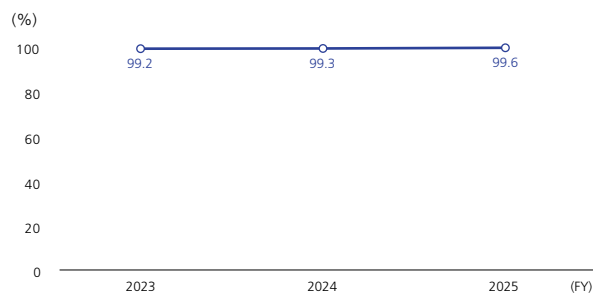
Forest-Derived Raw Materials

► Procuring Sustainable Forest-Derived Raw Materials

Unicharm is promoting the procurement of sustainable forest-derived raw materials. Much of the pulp used in product absorbent materials is made from Forest Management (FM)-certified softwood forests native to North and South America. We also request that suppliers not use raw materials harvested from high conservation value forests (HCVFs) and high carbon stock forests (HCSFs), which have a significant impact on biodiversity. Since fiscal 2016, we have expanded the scope of this policy to include local suppliers in countries and regions outside of Japan in an effort to promote sustainable raw material procurement.

In fiscal 2025, the percentage of forest-derived raw materials (pulp) traceable to their origin was 99. 6% for the Group overall.

► Percentage of Forest-Derived Raw Materials Traceable to Their Origin



P.147 Environmental Data > Forest-Derived Raw Materials

► Expanding the Use of Certified Pulp (PEFC- and CoC-Certified)

We are working on a Groupwide basis to acquire CoC certification under the Programme for the Endorsement of Forest Certification (PEFC), and in fiscal 2025, acquired certification for our Tianjin Factory and Jiangsu Factory in China and Sri City Factory, Ahmedabad Factory, and Neemrana Factory in India. The three factories in India are scheduled to commence procurement of PEFC-certified materials in fiscal 2026. As of December 31, 2025, 23 of 30 eligible factories have acquired certification, bringing the percentage of CoC-certified factories to 76.7%, while 66.5% of the pulp we procured was PEFC-certified.*¹

PEFC-certified labels have been included on the packaging of disposable baby diaper products, such as *Moony Low Irritation*, *More Comfort*, *Moonyman Low Irritation*, *More Comfort*, *Moony*, *Moonyman*,*² *Moony Oyasumiman* (Japan),*² *MamyPoko* (South Korea), *MamyPoko Pants* and *PETPET Pants* (Malaysia), and *MamyPoko Premium Care Pants* (Taiwan–Greater China), as well as *Sofy Hadaomoi* (Japan) sanitary pads, *Lifree Subpad* (Thailand) absorbent pads, and other items produced at our CoC-certified factories around the world. Moreover, we endeavor to promote awareness of Unicharm's initiatives among consumers by posting information on our products containing pulp and paper made from appropriately managed forest-derived raw materials on social media and our corporate website.



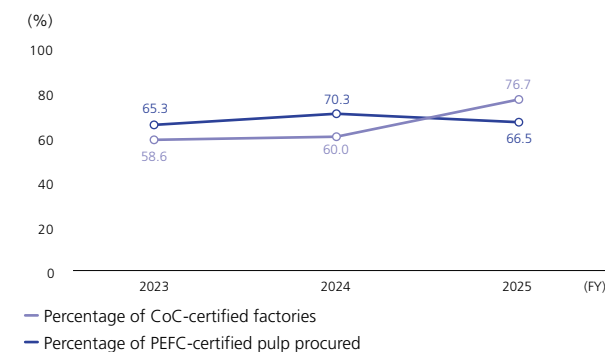
*1 PEFC 100% certified pulp

*2 Excluding super big size



Products with the PEFC certification label
(from left: Malaysia, Taiwan–Greater China, Japan, and Thailand)

► Percentage of CoC-Certified Factories and Percentage of PEFC-Certified Pulp Procured



P.147 Environmental Data > PEFC and CoC Certifications

► List of CoC-Certified Factories

Fiscal Year of Certification	Factory
2020	Karawang Factory No. 1 and No. 2, East Java Factory (Indonesia)
	Wellgrow Factory (Thailand)
	Fukushima Factory, Shizuoka Factory, Shikoku Chuo Factory, Kyushu Factory (Japan)
2021	Gumi Factory (South Korea)
	DSG Malaysia Factory (Malaysia)
	Hartz Pleasant Plain Factory (United States)
	Zhunan Factory (Taiwan–Greater China)
2022	Mie Factory (Japan)
2023	DSG Factory No. 1 and No. 2 (Thailand)
	Jaguariuna Factory (Brazil)
2024	Shanghai Factory (China)
	Bac Ninh Factory (Vietnam)
2025	Tianjin Factory and Jiangsu Factory (China)
	Sri City Factory, Ahmedabad Factory, and Neemrana Factory (India)

Concluding a Memorandum of Understanding Related to Forest Certification Joint Promotion

Unicharm Corporation and the Sustainable Green Ecosystem Council (SGEC/ PEFC Japan) concluded a memorandum of understanding (MoU) in November 2022 to jointly promote the following six areas of sustainable forest use and protection.

Furthermore, in an effort to “3. Conduct activities that contribute to the conservation of forest resources” as stated in the MoU, we have participated in tree-planting activities conducted by SGEC/PEFC Japan each year since fiscal 2021.

MoU Related to Forest Certification Joint Promotion

1. Increase use and exposure of PEFC labels
2. Promote sustainable forest use along the supply chain
3. Conduct activities that contribute to the conservation of forest resources
4. Enhance awareness of the benefits of using PEFC-certified materials
5. Give full consideration to the use of PEFC-certified paper for paper other than that used for Unicharm products
6. Introduce PEFC-certified products through our corporate website, newsletters, and social media, and the intranet used by PEFC member companies

Expanding Use of Certified Materials in Paper Packaging

From fiscal 2019, we switched to the use of certified materials for paper packaging and cardboard for masks, tampons, cosmetic cotton, cat food, and other products sold in Japan.



Paper packaging made from certified materials

Percentage of Office Paper Made from Certified Materials

We also value the importance of environmental awareness regarding paper used in our offices, and in fiscal 2025, 99.7% of office paper used was made from environmentally friendly materials (with 21.7% of office paper made from 100% recycled paper and 78.1% made from certified materials). The Unicharm Head Office is also gradually transitioning to office paper made with PEFC-certified paper.

P.147 Environmental Data >
Percentage of Office Paper Made from Certified Materials

Use of Hardwood Pulp

As hardwoods grow quickly and can be systematically harvested in Southeast Asia, we are promoting the development of products utilizing hardwood pulp as a raw material. For Unicharm, which is extensively engaged in business throughout Asia, the use of hardwood pulp diversifies raw materials procurement sources and reduces transportation costs, while also leading to the development of local economies through the promotion of local production for local consumption.

Compared with softwood pulp, which we primarily use, hardwood pulp presents challenges in molding due to its finer and softer fibers. In response, we developed a technology that uses a 3D fiber process to join the fibers, making them difficult to tear. This process creates an absorbent material that keeps its shape even with vigorous movement and perspiration. In fiscal 2020, we launched *Sofy SPORTS* sanitary pads that make the most of these features. In September 2023, we launched *Sofy Synchro Fit Daytime Use for Especially Heavy Menstrual Flow Super Type*, a sanitary product leveraging the thin and soft characteristics of hardwood pulp featuring high-density absorbent materials that conform to the body and prevent leakage even when physically active, providing approximately 1.2 times greater absorbency than standard products.



Providing and Expanding Our Line of Products Using Plant-Derived Components

Unicharm is enhancing its development and supply of products using plant-derived components.

P.31 Utilizing Plant-Derived Plastics

Providing and Expanding Our Line of Organic Products

Unicharm is expanding its product lineup to include products made using organic cotton, which minimizes environmental impacts on soil and water quality.

Japan

In Japan, Unicharm sells *Sofy Hadaomoi ORGANIC* sanitary pads, *Lifree Sawayaka Pad - Organic Cotta* for urinary incontinence care, and other products using organic cotton. In fiscal 2025, we also launched *Lifree Thin Light Organic Cotton Touch Pants* disposable adult diapers.

No. of Products Using Organic Cotton (Japan)

Fiscal Year	No. of Products
2023	53
2024	42
2025	51



P.147 Environmental Data > No. of Products Using Organic Cotton (Japan)

• Thailand

Unicharm's local subsidiary in Thailand released *SOFY Tanom Pew Natural Love* sanitary pads made with organic cotton based on the concept of being gentle on the skin and environmentally conscious. In fiscal 2025, the product lineup was expanded to include panty liners.

• Indonesia

In conjunction with World Environment Day 2025, Unicharm's local subsidiary in Indonesia launched limited-time *CHARM Daun Sirih Bio Materials Organic Cotton Type* sanitary pads incorporating organic cotton on all surfaces that come into contact with the skin.

Use of Palm Oil Waste in Cardboard Base Paper

Unicharm's local subsidiary in Indonesia, PT UNI-CHARM INDONESIA TBK (UCI) collaborated with Oji Holdings Corporation, utilizing empty fruit bunches (EFB) as a partial raw material, to develop EFB pulp blended cardboard base paper.*¹ This cardboard has been adopted as a packaging material for select products sold by UCI. In Indonesia and other Southeast Asian countries, large quantities of EFB are generated during palm oil production. By developing cardboard base paper using EFB as a partial raw material, we aim to promote the effective use of previously unutilized resources.

*¹ Paper made by blending various materials other than wood pulp into the pulp used as the raw material

Forest Conservation Activities

Countries and Regions	Initiatives	
Indonesia	Tree-Planting Activities	We participated in an activity organized by the industrial park where our factory is located, planting 1,000 saplings and releasing 150 sooty-headed bulbuls.
Thailand	Ecosystem Restoration Activities	In August 2025, as part of nature conservation activities, we collaborated with suppliers to repair a dam at Wat Khong Kha Ram (Wat Bon), Bang Pakong in Chachoengsao Province to prevent waste from flowing into the mangrove forest. In September of the same year, we planted 1,000 mangrove saplings in cooperation with the local community and partner companies. A total of 222 people including employees, suppliers, and government officials, took part in the tree planting as well as waste collection activities, helping improve habitats for aquatic life such as crabs and fish.
Taiwan–Greater China	Sapling Donations	A walking activity was conducted in which saplings were donated to Kaohsiung Province, a habitat for endangered bird species, based on the number of steps taken and distance walked by participants. In fiscal 2025, the activity was held twice—from April to June and from October to December—during which a total of 276 employees participated and 70 saplings were donated. P100 Walkathon (Taiwan–Greater China)
Japan	We Love Forest Tree Planting Festival	Unicharm Corporation has participated in tree-planting festivals held by SGEC/PEFC Japan since fiscal 2022. (The 2025 festival was postponed to fiscal 2026.)

Participation in

“Eastwood Climate Smart Forestry Fund I”

Unicharm Corporation is a participant in “Eastwood Climate Smart Forestry Fund I” launched in June 2023 and managed by the Sumitomo Forestry Group. This fund consists of investments from 10 Japanese companies, including Unicharm Corporation, that aim to implement sustainable forest management, which contributes to combating climate change, in addition to conventional forest management for timber production. The investor companies receive profits from timber sales and carbon credits generated from the forests through appropriate forest management with the aim of contributing to carbon offsetting for society as a whole.

Through these investments, Eastwood Climate Smart Forestry Fund I has acquired forests in the United States, Canada, Panama, and Costa Rica. By acquiring forests in different climate zones, it aims to diversify risks from both a timber production and carbon credit generation perspective and contribute to carbon offsetting for society as a whole.

Participation in Forest Carbon Credit Project (Thailand)

Since August 2023, Uni.Charm (Thailand) Co., Ltd. has been participating in the Carbon Credit Management Project for Sustainable Development in Forests, organized by the Mae Fah Luang Foundation. The project promotes sustainable agriculture by helping communities manage forests as carbon sinks. We also work with communities to facilitate the use of water sources from forests and the development of farming, agriculture, and drinking water, contributing to the sustainability of both the economy and the environment. In fiscal 2025, within the approximately 154.4 million m² of area registered under the T-VER*² project, roughly 1.81 million m² of the area was reported for forest fires, representing only 1.17% of the total area. This indicates a 10.94% reduction in fire incidence compared with the period prior to the implementation of the project.

*² Thailand Voluntary Emission Reduction program

Palm Oil

Procuring Sustainable Palm Oil

Unicharm joined the RSPO in fiscal 2017 and promotes the procurement of certified sustainable palm oil.

The palm oil used in our domestically produced pet foods is Fuji Oil Group's RSPO-certified oil. Fuji Oil is working to improve the traceability of palm oil to the oil mills and plantations of its suppliers. In addition, for pet shampoos and other products manufactured overseas that use palm oil-derived surfactants, Unicharm is promoting a transition to RSPO-certified palm oil in line with product renewals.

In 2025, Unicharm's procurement of RSPO-certified palm oil based on the mass balance system*¹ was 147.2 tons in Japan with a 100% traceability ratio to place of origin, and 2.2 tons overseas with a 1.3% traceability ratio, for a total of 149.4 tons and a traceability ratio of 47.5%. Going forward, Unicharm will continue sustainable procurement activities while confirming quality and procurement routes to switch all our palm oil purchases to RSPO-certified oil.



*¹ A certification model in which certified oil produced at certified farms is mixed with other uncertified oil during the distribution process. Although the certified oil physically contains uncertified oil, certified farms and the amount of certified oil purchased are guaranteed.

► Palm Oil

		Unit	2023	2024	2025
Amount of palm oil procured	Japan	Tons	193.4	195.8	147.2
	Overseas	Tons	131.2	242.8	167.5
	Total	Tons	324.6	438.6	314.7
Amount of certified palm oil* ² procured	Japan	Tons	113.1	194.6	147.2
	Overseas	Tons	0.6	2.0	2.2
	Total	Tons	113.6	196.6	149.4
Percentage of palm oil traceable to place of origin	Japan	%	58.5	99.4	100
	Overseas	%	0.5	0.8	1.3
	Total	%	35.0	44.8	47.5
Percentage of certified palm oil* ² procured	Japan	%	58.5	99.4	100
	Overseas	%	0.5	0.8	1.3
	Total	%	35.0	44.8	47.5

*² RSPO-certified palm oil based on the mass balance system.

web Unicharm's progress can be confirmed here:

<https://rspo.org/>

web FUJI OIL CO., LTD. > Sustainable Procurement of Palm Oil

https://www.fujioil.co.jp/en/sustainability/palm_oil/

Circular Economy Initiatives

Recycling of Used Disposable Diapers

In fiscal 2015, Unicharm began conducting demonstration trials of the horizontal recycling of used disposable diapers. This was followed by commercial operation, and in June 2022 select nursing care facilities in Kagoshima Prefecture began using disposable adult diapers that use recycled materials for a portion of their absorbent materials. In our recycling system, collected diapers are washed and separated, then undergo a unique ozone treatment process to sterilize and recycle the extracted pulp, making it equivalent to unused raw materials in terms of hygiene, safety, and use. As of fiscal 2025, Unicharm operates used disposable diaper recycling facilities in the two municipalities of Shibushi City and Osaki Town, Kagoshima Prefecture.

As part of this initiative, in April 2023 Shibushi City began collecting used disposable diapers at childcare facilities through the *Hands-Free Commute**³ service. Furthermore, in August 2024 we began providing *MamyPoko Pants RefF*, disposable baby diapers for childcare facilities using raw materials recycled from used baby diapers, to these childcare facilities, thereby forming the cycle of use, collection, and recycling and realizing a circular economy in Shibushi City.

*³ Flat-rate service providing disposable baby diapers and baby wipes to childcare facilities

Biodiversity

Reducing Waste and Preventing Pollution

306-1,306-3,306-4,306-5

Our Basic Approach and Strategy

Unicharm recognizes its tremendous responsibility as a company that provides consumer goods essential for hygienic lifestyles, and we make efforts to minimize impacts on biodiversity at each stage of the product life cycle, from raw materials procurement to development, manufacturing, logistics, usage, and disposal, while reducing waste and preventing pollution to protect biodiversity around our factories.

Certified as a Ministry of the Environment Re-Style Partner Company (Japan)

Unicharm was certified as a Re-Style Partner Company aimed at building a recycling-oriented society by the Ministry of the Environment. We continue to promote the 3Rs (reduce, reuse, recycle) among consumers such as by our participation in the MOE-sponsored Let's Choose! 3R Campaign.



Risks and Opportunities

Risks

If we fail to properly dispose of waste generated from our business activities or violate laws and regulations, there is a risk we will be subject to penalties, such as business suspension orders from the government and other authorities. We also assume reputational risks, such as wholesalers, retailers, and other distributors suspending the handling of Unicharm products or consumers refraining from purchases due to bad publicity. There

is also a risk of health hazards to employees, their families, and local residents who work at or live near business sites that generate environmental pollution. Depending on the location of the business site and its surroundings, the impact from pollution could be widespread and include groundwater and atmospheric contamination.

We recognize that in the event of such pollution, there is a risk Unicharm will incur large financial burdens related to restoring the environment to its original condition and providing compensation in line with health hazards.

Opportunities

Unicharm takes appropriate measures centered on production sites to prevent air, water, soil, and other types of pollution. Specifically, these measures include the reporting, measurement, and management of environment-related indicators as determined by governments in each country and region. We believe that by disclosing this information, we are able to gain the trust of our stakeholders. We also believe that steadfast efforts and appropriate information disclosure will increase this trust, making it easier for consumers to choose the products and services Unicharm offers.

Furthermore, we believe our efforts to recycle used disposable diapers are highly acknowledged for their contribution to waste reduction and effective use of resources, thereby increasing the likelihood that our products will be selected in support of these efforts.

Management Structure

The ESG Committee, chaired by the president & CEO, identifies important matters related to waste reduction and pollution prevention and examines and formulates improvement plans, which are submitted for approval by the Board of Directors. The committee meets four times a year to share the progress of activities as appropriate and make amendments as necessary, thereby implementing a PDCA cycle.

We also manage the temporary industrial waste storage facilities, confirm waste processors and measure emissions and wastewater in order to minimize the impact on biodiversity in the areas surrounding our manufacturing facilities.

- P.8 Sustainability Promotion System
- P.22 Environmental Management Structure

Environmental Audits

Regarding waste reductions and pollution prevention, activities and controls are implemented in accordance with environmental laws and regulations and ISO 14001. Three types of environmental audits are implemented to maintain and improve the level and performance of activities and controls:

- (1) regular audits in conformance with ISO 14001;
- (2) on-site audits at industrial waste processing partners to confirm appropriate practices; and
- (3) audits for specific purposes, including confirmation of legal compliance.

Indicators and Targets

With regard to reducing waste, we have set and are promoting targets with a particular focus on addressing the problem of plastic waste. In terms of preventing pollution, we aim to achieve zero violations of environmental laws and regulations at each of our factories.

► Kyo-sei Life Vision 2035: Safeguarding the Well-Being of Our Planet

Indicators	Target	Target Year
Reducing plastic usage in packaging materials	30% reduction (compared with 2022)	2035
Raising awareness about proper disposal of used products	Rolled out at all Group companies	
Eliminating non-recycled plastic usage in sales promotional items	Complete elimination	

Initiatives and Results

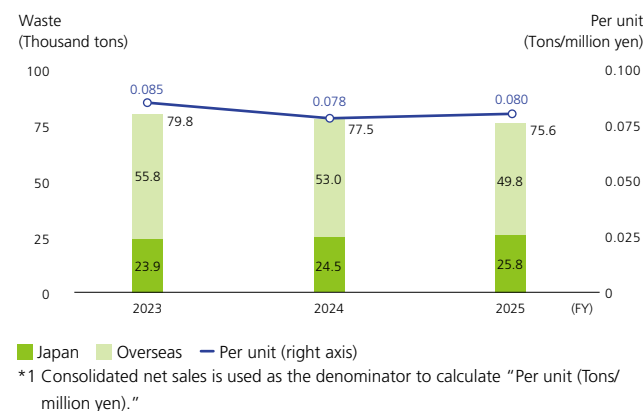
Reducing Waste

Disposing of Waste Transferred Off-Site

Unicharm strives to reduce waste by minimizing and recycling product waste, trim generated during material cutting and paper dust produced from pulp processing. For waste that is unavoidably transferred off-site, we select waste processors that have minimal impacts on biodiversity and the global environment from the perspective of the 3Rs (reduce, reuse, recycle) and consign disposal with a focus on recycling. When selecting waste disposal contractors, we always visit the site to verify how waste is handled.

In fiscal 2025, waste amounted to 75.6 thousand tons, a decrease of approximately 1.9 thousand tons from fiscal 2024. This represents a slight increase of approximately 2.1% on a per unit sales basis.

► Waste Generated*1

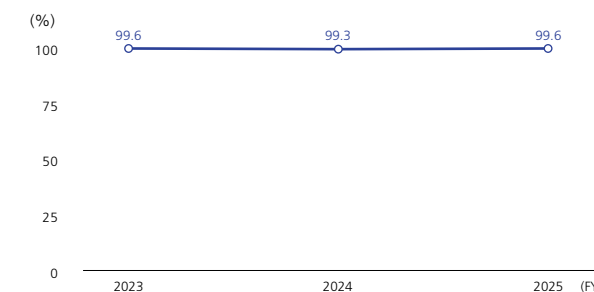


P.147 Environmental Data > Waste Generated

► Promotion of Recycling at Production Sites 301-2,301-3

Unicharm promotes the recycling of product waste and trim at production sites throughout the Group. In fiscal 2025, we attained a recycling rate of 99.6% at our production sites (four main factories) in Japan while maintaining a non-recycling rate, primarily landfill disposal, of less than 1%, thereby achieving our target of zero landfill waste at these sites for the 17th consecutive year. At production sites overseas, our subsidiary in Thailand has adopted use of equipment that dismantles and recycles products not meeting specifications from the production process. In conjunction with our recycling efforts in Japan, we have achieved zero landfill waste at our production sites overseas.

► Recycling Rate (Japan)*2



*2 Figures indicate recycling rates at Unicharm's four main production sites in Japan: Unicharm Products Co., Ltd.'s Fukushima Factory, Shizuoka Factory, Shikoku Factory, and Kyushu Factory

P.148 Environmental Data > Recycling Rate

► Key Initiatives at Production Sites

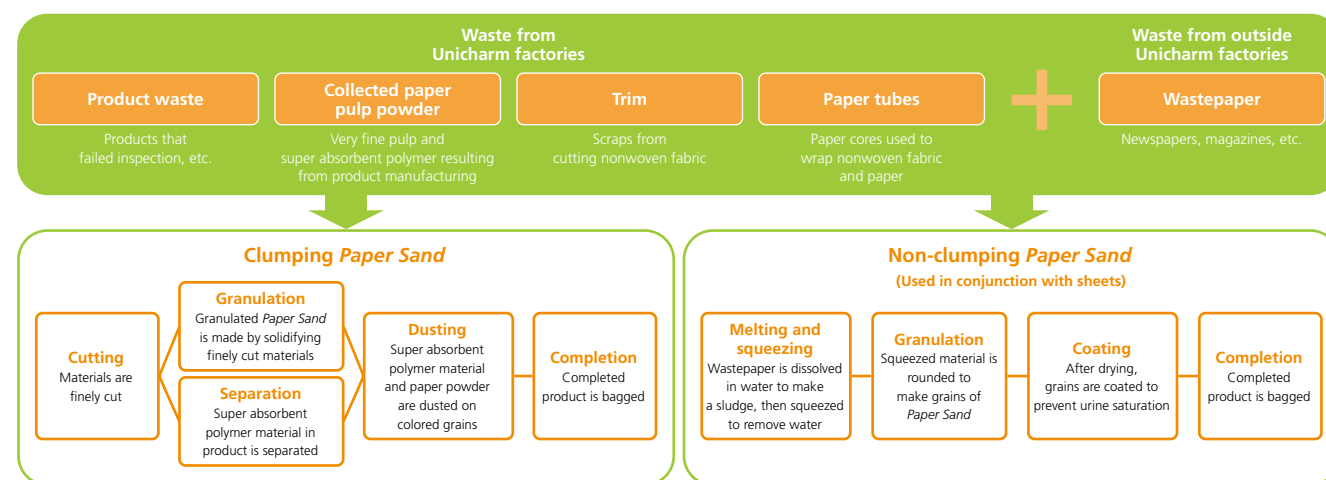
Countries	Initiatives	
Vietnam	Product Trim Recycling Project	In November 2025, a recycling line was installed at the Bắc Ninh Factory to process product trim from sanitary pads and disposable baby and adult diapers in addition to various types of PP and PE plastic waste. In the first two months of operation, approximately 330 tons of waste were recycled into plastic pellets.
India	Waste Recycling	Production waste and scrap waste generated at factories are sorted and stored in designated areas, which are then collected and recycled by certified recycling partners. A total of 8.9 tons of waste were collected in fiscal 2025.
	Recycling of Package Waste into Bag Materials	The weaving skills of women in rural India are utilized to produce bags using waste generated at factories and packaging manufacturers. Each bag reduces landfill waste equivalent to 45 to 50 packages.
Japan, India	Reuse of Paper Tubes from Rolled Materials	At production sites in Japan and India, paper tubes (the paper cores of rolled materials), which were previously thermally recycled, are now returned to suppliers for reuse.
Japan	Recycling of Plastic Waste Generated from Manufacturing Processes	The trimmings of plastic materials generated at factories are recycled for use in product packaging. P.30 Using Recycled Materials > Japan
	Reuse of Waste from Nonwoven Fabric	Waste generated through the nonwoven fabric manufacturing process is reused in Unicharm's <i>Deo Sheet Kirei Pad</i> pet sheets.
Brazil	Reduction of Product Waste	By focusing on resolving quality issues caused by malfunctions in processing equipment, the product waste of diapers was reduced by approximately 670,000 per year.
	Secondary Use of Product Waste	In collaboration with partner companies, product waste is separated into absorbent material (pulp and super absorbent polymer) and other components (including nonwoven fabric and rubber). The absorbent material is recycled into pet sheets while the other components are reused as wood plastic composite—composite materials made of wood fiber and plastic—which are used to manufacture trash cans, benches, and other products.
South Korea	Waste Reduction	By reducing and recycling trim and reusing product waste, the amount of waste generation was reduced by approximately 264 tons in fiscal 2025.

Secondary Use of Product Waste: *Paper Sand*

Unicharm's pet care product production subsidiaries Peparlet Co., Ltd. and Kinsei Products Co., Ltd. promote waste reductions by making secondary use of product waste and paper dust generated across the Group as raw materials for *Paper Sand* cat continence care products. In 2025, approximately 11 thousand tons of waste was reused as raw material.

Furthermore, the construction of a new factory in Shimada City, Shizuoka Prefecture, was completed in October 2023 to consolidate Peparlet bases around the Fujieda region of Shizuoka Prefecture. This new factory has improved production and logistics efficiency while promoting the reuse of process waste and other materials generated at Group production sites in Japan and overseas, thereby reducing waste.

► Manufacturing Process of *Paper Sand* Incorporating Secondary Use of Product Waste



Industry Efforts to Reduce Pet Food Loss

Unicharm Corporation endorses the Pet Life Support Project implemented by the Japan Pet Food Association and the Japan Pet Food & Suppliers Wholesalers Association with support from the Ministry of the Environment. This project facilitates a system to manage information registered by supporting manufacturers on pet food nearing its expiration date, and provides it free of charge to animal shelters upon request. Through this activity, we aim to reduce pet food loss throughout the industry and contribute to animal welfare by saving the lives of shelter dogs and cats and supporting their transfer to new foster homes.

Reducing Waste Through the Recycling of Used Disposable Diapers

Since 2015, Unicharm has conducted demonstration trials involving the recycling of used disposable diapers. In June 2022, select nursing care facilities in Kagoshima Prefecture began using disposable diapers that use recycled materials as part of their absorbent paper, realizing the horizontal recycling of used disposable diapers. In our recycling system, collected diapers are washed and separated, then undergo a unique ozone treatment to sterilize bacteria contained in the waste and recycle the extracted pulp, making it equivalent to unused raw materials in terms of hygiene, safety, and use.

We collected approximately 208 tons of used disposable diapers in fiscal 2025 and our goal is to collect 230 tons in fiscal 2026.

P.26 Circular Recycling of Used Disposable Diapers

Preventing Pollution

Hazardous chemical substances emitted from our factories are managed not only in compliance with applicable laws and regulations, but also with due consideration to their impact on human health and ecosystems. We have formulated guidelines and have a dedicated department that investigates toxicity and legal compliance. Rather than discharging hazardous chemical substances directly into land or water bodies, they are appropriately treated by waste disposal contractors.

Currently, management efforts are focused primarily on Japan, where legal frameworks are well established. However, Unicharm also conducts surveys at overseas sites to assess the status of usage, management, and discharge, and will proactively introduce improvement measures aimed at appropriately using, managing, and reducing discharge of hazardous chemical substances.

Hazardous Waste

Polychlorinated Biphenyl (PCB) (Japan)

Unicharm Corporation does not currently store any PCBs.

P.148 Environmental Data >
Polychlorinated Biphenyl (PCB) Storage Situation (Japan)

Substances Subject to the Pollutant Release and Transfer Register (PRTR) (Japan)

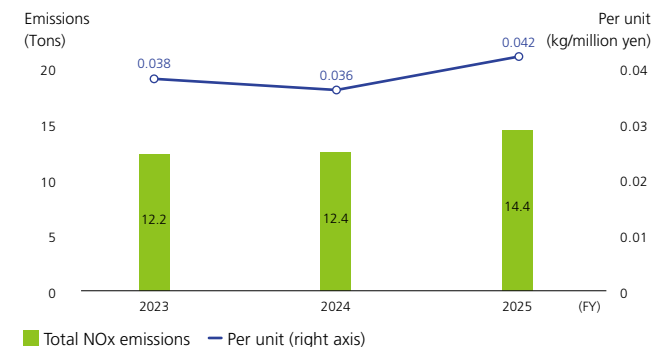
Unicharm Corporation is gradually transitioning to toluene-free thinners.

P.148 Environmental Data > Pollutant Release and Transfer Register (PRTR)
Substances (Japan)

Air Pollution Countermeasures

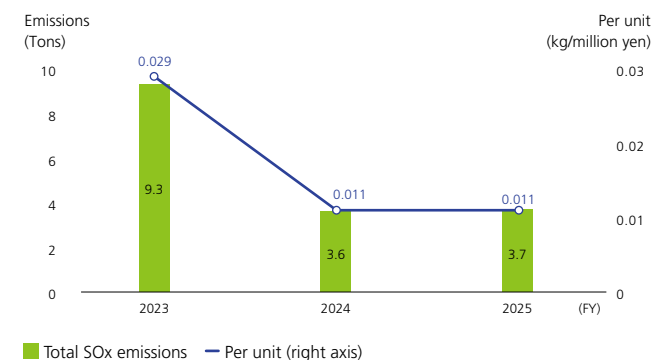
To counter air pollution, we are working to reduce nitrogen oxide (NOx) and sulfur oxide (SOx) emissions, which we are required to measure, by improving the operational efficiency of boilers and other equipment.

NOx Emissions (Japan)*1



*1 Net sales in Japan is used as the denominator to calculate "Per unit (kg/million yen)."

SOx Emissions (Japan)*2



*2 Net sales in Japan is used as the denominator to calculate "Per unit (kg/million yen)."

P.148 Environmental Data > NOx and SOx Emissions (Japan)

Protection of the Ozone Layer (Japan)

We manage fluorocarbons in compliance with laws and regulations and conduct regular inspections in an effort to protect the ozone layer.

P.148 Environmental Data > Ozone-Depleting Substances (Japan)

Preventing Water Pollution, Soil Contamination, and Offensive Odors

Wastewater is discharged after measuring biochemical oxygen demand (BOD), chemical oxygen demand (COD), and other parameters in accordance with laws and regulations established by the governments of each country and region, after undergoing treatment in accordance with wastewater treatment standards. We strive to prevent pollution by setting and adhering to strict voluntary standards exceeding the standards of the Water Pollution Control Law and Law Concerning Special Measures for Conservation of the Environment of Seto Inland Sea in Japan, and the Water Pollution Prevention and Control Law of the People's Republic of China. In fiscal 2025, there were no violations of any laws, regulations, or voluntary standards, and the applicable factories properly reported to the government as required by laws and regulations.

Furthermore, to prevent soil contamination and offensive odors, we also conduct regular measurements according to in-house standards, and in fiscal 2025, there were no accidents associated with soil contamination or offensive odors.

P.148 Environmental Data > Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) (Japan)

Promoting Awareness of Proper Methods for Disposing of Products After Use

Waste disposal methods vary between countries and regions, and in some countries and regions where Unicharm provides its products, it remains common practice to bury disposable diapers in the ground or discard them in the river after use. For this reason, we educate customers on proper disposal methods through our product packaging. We also conduct environmental awareness classes for children in Indonesia and Thailand to educate them about waste separation and proper disposal methods. We believe these efforts will help protect rivers as water sources, and other ecosystems.

P.32 Raising Awareness About Proper Disposal of Used Products

Countries and Regions	Initiatives	
Thailand	Drop Point Project	We conducted the Drop Point Project in collaboration with the Won Recycling Project to encourage proper waste collection and recycling through the installation of collection boxes for packaging. In fiscal 2025, a total of 14 collection boxes were installed at nearby hospitals and shopping malls.
Australia	Clean Up Australia Day	In March 2025, 14 employees took part in Clean Up Australia Day, engaging in cleanup activities at parks in Melbourne.
South Korea	Clean Gumi Initiative	We work in partnership with Gumi City, where its production site is located, to conduct the Clean Gumi Initiative. In fiscal 2025, river cleanup activities were carried out, supporting both social contribution activities and environmental conservation.
Taiwan–Greater China	Protect the Ocean and Go Clean the Beaches	In June 2025, we participated in Protect the Ocean and Go Clean the Beaches, a beach cleanup activity organized by drugstore chain AS Watson.
Malaysia	Bond-Bond Beach Cleanup Program	In October 2025, we organized the Bond-Bond Beach Cleanup Program in cooperation with the local government, in which 147 people including employees and their families and friends participated. In addition to addressing marine pollution and protecting the ecosystem through the collection of washed-up plastics, the program also fostered environmental awareness and organizational unity through social events held afterwards.

Water Recycling-Oriented Society

Water Resources

303-1

Our Basic Approach and Strategy

Although Unicharm uses very minimal amounts of water directly in manufacturing processes, water is an integral part of pulp, paper, and other material manufacturing processes conducted by suppliers of raw materials. Accordingly, we believe it necessary to make effective use of limited water resources, and in the interest of water conservation, we conduct water risk assessments of all our business activities and take measures accordingly, reduce water usage (water withdrawal) at production sites, and recycle and purify water, in accordance with the Unicharm Group Basic Environmental Policy.

► Unicharm Group Basic Environmental Policy (Excerpt)

4. Commitment to Local Communities and to Protecting the Natural Environment

When using forest and water resources in our activities along the value chain, we pay due consideration to biodiversity, strive to protect local communities and ecosystems, actively work to prevent wastewater and other forms of pollution, and act responsibly to ensure that we do not adversely impact these communities and the natural environment. If we find that our business activities are having a negative impact on the environment, we will take corrective measures right away with the utmost priority.

► Guidelines (Excerpt)

4. Commitment to Local Communities and to Protecting the Natural Environment

- We contribute to the protection and sustainable use of biodiversity at all stages of the value chain.
- We strive to monitor water risk and take appropriate measures when carrying out business activities in countries and regions with high water risk.
- We address water-related issues by making efficient use of water and preventing wastewater pollution.

P.21 Unicharm Group Basic Environmental Policy

Risks and Opportunities

Risks

We mainly manufacture and sell disposable diapers and sanitary pads, as well as wet wipes and other hygiene products and pet food. While our direct water use in manufacturing is minimal, our upstream suppliers consume significant amounts of water due to our reliance on forest-based raw materials such as pulp and paper, etc. There is a risk we will be forced to suspend operations due to instability in the supply of forest-derived raw materials, which is an underlying cause of water resource depletion; a risk of product sales suspension due to a dwindling supply of water used in wet wipe and pet food manufacturing processes; a risk of cost increases in line with higher water usage costs; and a risk of difficulty ensuring stable supplies of water, etc. To this end, we ask all suppliers to understand and cooperate with the Unicharm Group Sustainable Procurement Guidelines.

We have conducted a medium- to long-term water risk assessment using the Aqueduct Overall Water Risk Map, a World Resources Institute (WRI) tool, and request that our suppliers operating in particularly high-risk river basins carefully manage water resources and work to alleviate risk.

Opportunities

With the proliferation of hygiene awareness and practices, such as the habit of sanitizing with alcohol experienced during the pandemic, demand may increase for wet wipes to clean one's hands and surroundings without the use of water. The strength of our products is that they do not require water for use or disposal, and demand is particularly high in areas where droughts or disasters have occurred and lifeline services have not been established. Proactive involvement in these scenarios presents an opportunity to promote the use of Unicharm products.

P.106 Unicharm Group Sustainable Procurement Guidelines

Management Structure

Plans and progress on important matters related to water resources are shared at ESG Committee meetings held four times a year and chaired by the president & CEO, and upon approval from the Board of Directors, a PDCA cycle is implemented toward the achievement of targets. Furthermore, the ESG Division collects and monitors data on water usage (water withdrawal) and wastewater on a monthly basis.

P.8 Sustainability Promotion System

P.22 Environmental Management Structure

Indicators and Targets

Medium- to Long-Term Goals

Implementation Item	Base Year	Target	Target Year
Reducing water usage (water withdrawal)	2020	10% reduction	2035

Short-Term Goals

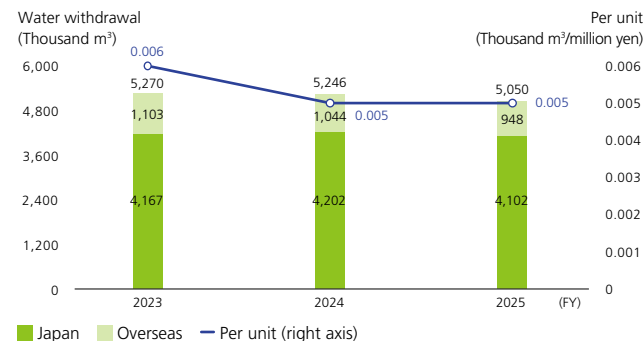
Implementation Items	Fiscal 2025 Results	Fiscal 2026 Targets	Target Year
Reduce water usage (water withdrawal) by 1% annually YoY	3.7% reduction YoY	1% reduction YoY	Annually
Zero wastewater law and regulation violations at factories	Zero annually	Zero annually	Annually

Initiatives and Results

Water Security 303-3,303-4,303-5

Unicharm uses water mainly for equipment cooling, cleaning associated with machine maintenance, some nonwoven fabric manufacturing processes, and pet food manufacturing processes. We have set a goal of reducing water usage (water withdrawal) by 1% annually year on year, and are reviewing processes, introducing water-saving equipment, and at some locations using rainwater to water plants. Total water usage (water withdrawal) in fiscal 2025 was 5,050 thousand m³, a 3.7% reduction from fiscal 2024. Moreover, water usage per unit of sales was 0.005 thousand m³/million yen, an amount almost equivalent to that in fiscal 2024.

Water Usage (Water Withdrawal)*1



*1 Consolidated net sales are used as the denominator for per unit of sales. Some calculation methods have been revised since fiscal 2025 and, in accordance with this change, figures for fiscal 2024 and prior have been retroactively recalculated.

P.149 Environmental Data > Water Usage (Water Withdrawal)

Reducing Water Usage (Water Withdrawal at the Kyushu Factory) (Japan)

The Kyushu Factory has reduced water usage (water withdrawal) and achieved zero wastewater by using an air-cooling system instead of a conventional water-cooling system for air conditioning equipment inside the factory. Going forward, we will introduce air-cooling systems to other factories to coincide with the timing of upgrades to existing air conditioning systems.

Reducing Water Usage (Water Withdrawal) by Recycling Water

Although water usage (water withdrawal) is minimal, Unicharm is working to recycle water, especially at factories that exceed the Group's average water usage. We are promoting reductions in water usage (water withdrawal) by introducing water recycling systems at nonwoven fabric and *Paper Sand* manufacturing factories.

Countries	Initiatives	
Indonesia	Water recycling at nonwoven fabric factory	Since its establishment in 2013, our nonwoven fabric factory in Indonesia has utilized water recycling equipment to recycle water used in the manufacturing process. In fiscal 2025, the recycling rate of factory wastewater was 89.3%.
China	Installation of emergency storage system to prevent environmental pollution	At the Jiangsu Factory, a new overflow prevention tank has been installed as part of emergency measures to manage environmental risk. In the event of water overflow or fire, the system fully prevents contaminated water from flowing directly into nearby rivers. In this way, we are working to mitigate impacts on surrounding aquatic ecosystems and promote coexistence with the local environment.
Japan	Water recycling at Peparlet factories	At Peparlet factories, water is recycled by pumping wastewater generated during the dehydration process of <i>Paper Sand</i> production back into the manufacturing process. Factory wastewater recycling rates for fiscal 2025 were 100%, achieving zero factory wastewater.

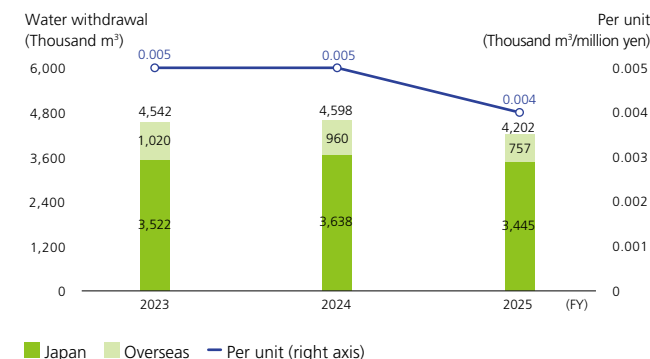
Water Usage and Wastewater Volumes

303-2

Unicharm defines water usage (factory usage + product usage) as "water withdrawal volume – wastewater volume." Main water usage occurs at factories during the *Paper Sand* manufacturing process and the evaporation of cooling water, while product water usage includes wet wipes and pet food.

In addition, wastewater volumes include data from certain sites where the volume is assumed to be equal to water withdrawal. Wastewater is mainly discharged during the absorbent paper and pet food manufacturing processes. Wastewater in fiscal 2025 amounted to 4,202 thousand m³, an 8.6% reduction from fiscal 2024.

Wastewater*2



*2 Consolidated net sales are used as the denominator for per unit of sales. At sites where wastewater is not measured, wastewater volume is assumed to be equal to water withdrawal. Some calculation methods have been revised since fiscal 2025 and, in accordance with this change, figures for fiscal 2024 and prior have been retroactively recalculated.

P.149 Environmental Data > Wastewater

Identifying and Responding to Water Risk*1

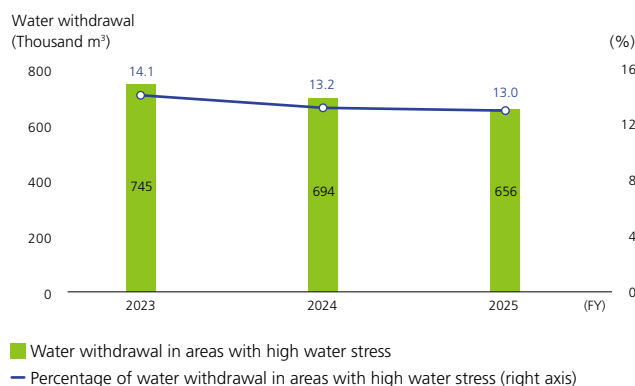
Of 41 total factories in the Unicharm Group, 15 were identified as having “extremely high” or “high” water stress scores in fiscal 2025 using Aqeduct. Even in areas with high water stress scores, we have set the goal of reducing water usage (water withdrawal) by 1% annually year on year, and are engaged in efforts to achieve these reductions. Furthermore, based on climate change and other future scenarios, we also identified eight factories that will have “extremely high” water stress scores in 2050, and recognize the need to address water risk going forward.

*1 Water stress is identified using the Aqeduct Overall Water Risk Map, a World Resources Institute (WRI) tool.

Water Stress Score of Unicharm's Factories

Water Stress Score (Fiscal 2025)	Extremely High	High	Moderate	Low
No. of factories	12	3	11	15

Water Withdrawal and Percentage in Areas with High Water Stress*2



*2 Certain calculation methods were revised in fiscal 2025. Accordingly, figures for fiscal 2024 and prior years have been retroactively recalculated.

P.149 Environmental Data > Water Usage by Source (Water Withdrawal) (Overseas)

P.149 Environmental Data > Water Withdrawal and Percentage in Areas with High Water Stress

In Asia, where water risk is a concern, we are working to introduce technologies tailored to the specific needs of each facility. In doing so, we aim to conserve precious water resources in the local communities of this region and develop a sustainable production framework.

Collaborating with Relevant Agencies and Associate Companies in Response to Flooding (Thailand)

The Wellgrow Factory in Thailand is located in an industrial park near the Bang Pakong River, which is at high risk of flooding. This factory is an important manufacturing base for disposable diapers and sanitary pads for the domestic market in Thailand, as well as exports to other countries and regions. Although damage to this factory caused by flooding in 2011 was limited, we are cognizant of risks including labor and production capacity reductions and stoppages and sales declines, and are implementing countermeasures in collaboration with relevant agencies and associate companies.

Logistics Function Responses

- We created a shipping plan with logistics providers taking into account several alternative transportation routes in anticipation of flooding.
- We established a communication system using social media for daily operations and enhanced cooperation.

Employee-Focused Responses

- We created emergency evacuation procedures from Stage 1 to 6 with the highest priority placed on employee safety.
- We established a factory emergency organizational chart, communication network, and emergency response team that are revised annually in January. Emergency evacuation drills are also held regularly.

Factory Facility Responses

- Every year before the rainy season, we inspect sandbags and waterproof board partitions, and clean drains and gutters around the factory to prevent clogging.
- We collect river flooding information and monitor water levels as appropriate in cooperation with government agencies and Wellgrow Industrial Estate Co., Ltd.
- We strengthen advance preparations for location, design, and disaster-prevention products to minimize flood damage when building new factories. During factory expansions in 2014, designs were changed to raise the height of factory floors and drainage systems were upgraded.

Project to Reuse RO Reject Water (India)

At the Neemrana Factory in India, Unicharm installed a reverse osmosis (RO) concentrated water recycling system in fiscal 2025 to address water risk. This project aimed to improve the plant's water stress score of “extremely high,” and the implementation of this system has reduced daily water usage (water withdrawal) by approximately 10%.

Effective Use of Water Resources Through the Recovery and Reuse of Concentrated and Drain Water (Vietnam)

At the Bắc Ninh Factory in Vietnam, Unicharm launched a project in October 2025 to recover RO concentrated water and air-conditioning drain water and for reuse as makeup water in cooling towers, with the aim of optimizing water use in production processes and reducing environmental impact. Within three months from the start of operation, the total volume of reused water was 1,474 m³, achieving an equivalent reduction in water withdrawal and wastewater discharge.

Preventing Pollution

Water Pollution Control

Wastewater is discharged after measuring biochemical oxygen demand (BOD), chemical oxygen demand (COD), and other parameters in accordance with laws and regulations established by the governments of each country and region, after undergoing treatment in accordance with wastewater treatment standards. We strive to prevent pollution by setting and adhering to strict voluntary standards exceeding those of the Water Pollution Control Law and Law Concerning Special Measures for Conservation of the Environment of Seto Inland Sea in Japan, and the Water Pollution Prevention and Control Law of the People's Republic of China. In fiscal 2025, there were no violations of any laws, regulations, or voluntary standards, and the applicable factories properly reported to the government as required by laws and regulations.

P.56 Preventing Water Pollution, Soil Contamination, and Offensive Odors

Promoting Awareness of Proper Methods for Disposing of Products After Use

Waste disposal methods vary between countries and regions, and in some countries and regions where Unicharm provides its products, it remains common practice to bury used disposable diapers in the ground or discard them in rivers. For this reason, we educate customers on disposal methods prescribed by local governments through our product packaging. We also conduct environmental awareness classes for children in Indonesia and Thailand to educate them about waste separation and proper disposal methods. We believe these efforts will help protect rivers as water sources, and other ecosystems.

P.32 Raising Awareness About Proper Disposal of Used Products

Society

CONTENTS

62 Innovation Management

- 62 Product Development
- 67 Digital Transformation (DX)
- 71 Intellectual Property

73 Customer Satisfaction

- 73 Responsibility to Our Customers (Consumers)

76 Quality

- 76 Quality Assurance

80 Human Rights

- 80 Respect for Human Rights

84 Human Resources

- 84 Development and Utilization of Human Resources
- 92 Diversity and Inclusion
- 97 Employee Health
- 102 Occupational Safety and Health

105 Supply Chain Management

- 105 Sustainable Procurement

111 Communities

- 111 Social Contribution Activities

Innovation Management

Product Development

Our Basic Approach and Strategy

In November 2024, Unicharm formulated the mission, vision, and value of its Global Development Division. In line with its vision Research Locally, Develop Globally, we will analyze the lifestyles of customers around the world to identify their needs and turn ideas into products by repeatedly developing and verifying hypotheses.

Unicharm's product development consists mainly of the development of personal care products and pet care products. In our development of personal care products, we endeavor to develop unique products by considering all stages of life and evolving and discovering new ideas that turn unpleasant experiences into comfortable ones. In our development of pet care products, we help ensure the well-being of dogs and cats by developing pet foods specifically for each breed and age group as well as toiletry products that cater to different breeding environments and specific pet breeds and physiques.

We continuously work to develop our core technologies in materials and processing for nonwoven fabric, super absorbent polymer, pulp, and paper, while also researching and developing processing methods for pet food ingredients. The marketing, development, and production divisions work closely to shorten the lead time from the start of product development to product release.

► The Global Development Division's Mission, Vision, and Value

Mission: Contribute to the realization of a society in which all pets can live in harmony with people
We will help create a society in which all pets can live peacefully together with people through a virtuous cycle of generating unique value and profits through *monozukuri*.

Vision: Research Locally, Develop Globally
We will create unparalleled experiences by working closely with each community to resolve their issues and fulfill their dreams.

Value: Confront uncertainty
With our passion for customers at the forefront, we will continue to work closely with them as well as society by learning sincerely and taking on the challenge of responding to our uncertain business environment.

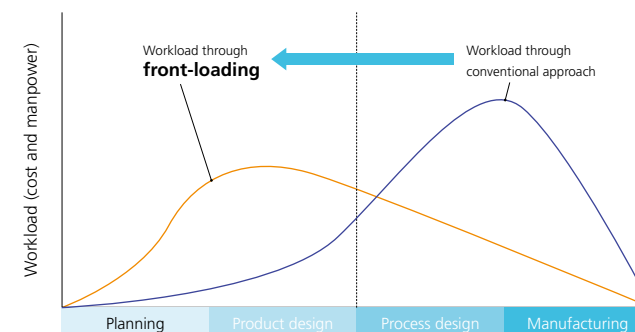
Management Structure

Unicharm holds Management of Technology (MOT) meetings each year to formulate roadmaps for short-, medium-, and long-term product development, production technology development, and materials technology development. In so doing, we work to strengthen our system for planning and implementing development strategies in order to actively respond to issues that may arise in the future. Moreover, by adopting a front-loading approach,* we have established a three-pronged system that closely integrates the following three functions: research and development (R&D)—the development of new materials, technologies, and products essential to discover and provide new value; engineering (E)—the development of equipment to ensure a stable supply of these materials, technologies, and products; and production (P)—the process for achieving a stable supply. This system allows us to accelerate the development of new products and the renewal of existing products.

Furthermore, as a company that continues to expand business globally, it is essential that we develop products based on the characteristics of each country and region. Accordingly, we have established satellite offices of the R&D Division at major overseas subsidiaries and created a structure that facilitates the local development of products tailored to the needs of each country and region.

* An approach in which management resources are allocated to early stages of the product development process to advance tasks previously performed at later stages

► Reducing Workload Through Front-Loading of Tasks



SDGs Theme Guideline:

Internal Guideline for Contributing to Sustainability —

The SDGs Theme Guideline was established and implemented in 2020 to continuously improve our products and services. We define this improvement as creating more output with less input and contributing to the achievement of the SDGs through our products and services, and have formulated the following indicators:

(1) Less input

Contribute to reductions in environmental impact through less use of raw materials

(2) More output

Ensure greater customer satisfaction by providing even more additional value through our products and services than in the past

(3) Contributing to the achievement of the SDGs

Play a key role in resolving environmental and social issues toward the achievement of the SDGs, while attaining indicators (1) and (2)

We have adopted these three indicators as “10% less input, 10% more output & SDGs theme” and establish development themes that will contribute to the achievement of the SDGs.

An example of a product that complied with the SDGs Theme Guideline in fiscal 2025 is Hartz® Comfitables® Dog Diapers, launched in North America. We optimized its product size to reduce the amount of raw materials used.



Indicators and Targets

► Kyo-sei Life Vision 2035: Safeguarding the Well-Being of Individuals

Indicators	Target	Target Year
Providing products and services that contribute to the realization of a society where everyone can have a sense of individuality • No. of users of Unicharm Group's incontinence care products	198 (base value of 100 for 2024)	2035
Providing products and services that contribute to the realization of a society where pets are welcomed by family members and community residents • No. of dogs using Unicharm Group's dog diapers	190 (base value of 100 for 2024)	2035
• No. of dogs and cats using Unicharm Group's pet treats	415 (base value of 100 for 2024)	
Providing products and services that contribute to the realization of a society where women can freely design their lives • No. of users of Unicharm Group's products for women	170 (base value of 100 for 2024)	2035
Providing products and services that contribute to the realization of a society where infants and their families can live healthily and happily • No. of users of Unicharm Group's baby and child care products	103 (base value of 100 for 2024)	2035

► Kyo-sei Life Vision 2035: Safeguarding the Well-Being of Society

Indicators	Target	Target Year
The “Trust” image associated with using Unicharm Group's products and services	27%	2035
The “Reassurance” image associated with using Unicharm Group's products and services	23%	
Percentage of products and services suitable for the SDGs Theme Guideline, an internal guideline for contributing to sustainability	50%	2035

Initiatives and Results

Lifree Thin Light Organic Cotton Touch Pants (Japan)

Based on our research, approximately 90% of disposable adult diaper users wear them throughout the day and approximately 70% of them tend to choose diapers and other adult care items made of natural materials. In response, we launched *Lifree Thin Light Organic Cotton Touch Pants*, disposable adult diapers with a 100% organic cotton mesh sheet made from naturally derived materials. The organic cotton sheet around the waist absorbs perspiration caused by dampness inside the diaper. The product is also designed to minimize friction against the skin, providing a gentle, comfortable feel similar to that of fabric underwear.

***Caryn Thin Pants (Vietnam)***

Research conducted by Unicharm's local subsidiary in Vietnam found that 50% of disposable adult diaper users are concerned about skin irritation from dampness inside the diaper. In response, we renewed *Caryn Thin Pants* disposable adult diapers by incorporating perforated nonwoven fabric on the back side of the waist, an area where it gets particularly damp.

The nonwoven fabric comes with ventilation (holes) to allow moisture to escape and prevent dampness, keeping elderly people's skin dry and clean. These diapers also come with an ultra-thin 5 mm absorbent pad that ensures breathability and absorbency, and are designed to be worn discreetly and comfortably under clothing like underwear.

***Lifree Pants Long-Lasting Protection (Brazil)***

Research conducted by Unicharm's local subsidiary in Brazil revealed that approximately 70% of disposable adult diaper users wear them for extended periods. A pressing concern came to light as a result: the absorbent pad becomes heavy and begins to sag from repeated absorption, creating gaps around the legs that lead to leakage.

To address this concern, we renewed *Lifree Pants Long-Lasting Protection* disposable adult diapers by incorporating our proprietary slip-prevention inner gathers in the crotch area. The five gathers form a convex layer on the absorbent pad, providing a more comfortable fit and thoroughly preventing leakage. Furthermore, by increasing the elasticity of the waist area, users can now put them on and take them off more easily.

***Wave All-in-One Brushed Fiber Wet Sheets for Floors (Japan)***

When using wet sheets to clean floors, they are often used in combination with a vacuum cleaner or dry sheets because they cannot pick up all hair or fine debris. However, in recent years, the floor sheet market has seen a growing need for a single solution to cleaning and a desire to reduce cleaning time.*¹ In response, Unicharm launched *Wave All-in-One Brushed Fiber Wet Sheets for Floors* in April 2025. Utilizing the world's first*² patented technology, these brushed fiber wet sheets*³ capture hair and fine debris while wiping away oily and greasy stains. The product also features increased moisture levels, along with added antibacterial*⁴ and deodorizing agents.



*¹ Based on Unicharm research

*² Based on Unicharm research using the Mintel Global New Product Database (GNPD) in October 2024

*³ Consists of two layers: a nonwoven sheet and a sheet made of thick fiber bundles, with a thickness difference at the bonded and non-bonded areas of the two layers

*⁴ Does not inhibit the growth of all types of bacteria

Silver Spoon Dried Bonito Chips in Cookies (Japan)

Unicharm Corporation launched *Silver Spoon Dried Bonito Chips in Cookies* cat treats in response to requests from dry cat treat users who want to let their cats enjoy a variety of textures and flavors. This product is a marbled combination of fish-flavored dough and cookie-type dough with dried bonito chips inside, allowing cats to enjoy three types of deliciousness in a single bite.



Gains Golden Spoon Double Treasure Essence (China)

In China, the number of cat owners is increasing, particularly among younger generations who desire to bring joy to their beloved cats while ensuring their long-term health. In response, Unicharm's local subsidiary in China launched *Gains Golden Spoon Double Treasure Essence*, a cat food combining deliciousness and nutrition through a blend of extracts and raw meat from Silkie chicken and cod. For this product, we utilized our proprietary bubble granule manufacturing method (patent pending), which seals savory extracts and carefully selected raw meat inside each kibble. In addition to its high nutritional value, with over 80% animal protein and over 40% crude protein, this cat food offers an excellent digestibility rate of 94%. Through our commitment to providing deliciousness and ensuring well-being, we contribute to the happy life of both pets and their owners.



Deo-Toilet Deodorizing and Antibacterial Chip Natural Wood Does Not Scatter Cat-Shaped Chip and Easy to Get Used to Small Grain Type (Japan)

Unicharm Corporation launched two replaceable natural wood chips for cat toilets under the *Deo-Toilet Deodorizing and Antibacterial Chip Natural Wood* series: *Does Not Scatter*^{*1} *Cat-Shaped Chip* and *Easy to Get Used to Small Grain Type*. The cat-shaped version features a cross section shaped like a cat's face (patent pending), making them less likely to roll and get caught between paw pads, thereby reducing scatter outside the toilet. The small grain type is approximately 23% smaller in volume than the cat-shaped type, making them easier for cats to adapt to.

Both products use patented water-repellent technology to effectively repel urine and prevent it from penetrating into the pellets. Despite using natural wood materials, these pellets offer high antibacterial performance, suppressing 99.9% of odor-causing bacteria.^{*2}



^{*1} Compared with *Deo-Sand: Paper Sand That Deodorizes Urine with Fragrance*

^{*2} Bacteria that help facilitate the production of ammonia from urine. Based on the results of an antibacterial test conducted by a third-party institution. Does not inhibit the growth of all types of bacteria

Hartz® Comfitables® Dog Wraps (United States)

Unicharm's local subsidiary in the United States launched *Hartz® Comfitables® Dog Wraps*, male dog belly bands featuring a highly elastic waistband, the first of its kind in the North American market, providing a secure fit that remains in place even during strenuous activities. Using our proprietary FlashDry™ technology, the product also offers up to 12 hours of absorption performance.^{*3} To accommodate the needs of the market, where many owners have large dogs, the lineup includes sizes to 85 pounds (approximately 38.5 kg). *Hartz® Comfitables® Dog Wraps* are being rolled out as a high-value-added product that combines convenience and comfort.



^{*3} Based on average urine output over a 12-hour period for healthy dogs. Urine output varies between dogs.

SOFY Shorts Type Strip & Renew **(Thailand)**

In Thailand, shorts-type sanitary pads are highly popular for their ability to eliminate concerns about leakage simply by wearing them. However, when changing them, many users find the need to remove their pants inconvenient, especially during the day-time. To address this issue, Unicharm's local subsidiary in Thailand launched *SOFY Shorts Type Strip & Renew*, a sanitary pad featuring a double-layer absorbent sheet. By simply peeling off the first layer, the product eliminates the need to remove one's pants and change the sanitary pad itself, enabling users to spend their daytime as comfortably as possible.



MamyPoko Pants **(Excluding XXL Size) (Japan)**

Unicharm Corporation introduced its proprietary glue-free technology to *MamyPoko Pants*, its top-selling* line of disposable baby diapers, supported by consumers for its "large design that can be used for a long time." By eliminating plastic adhesives, the glue-free technology simultaneously reduces environmental impact and improves product performance. Specifically, it reduces greenhouse gas emissions by approximately 1,300 tons per year. Moreover, our newly developed stretchy fit structure has improved elasticity, making these products more comfortable and longer lasting than ever.



* Based on a survey conducted by Intage SRI+®. Cumulative sales ranking for disposable baby diaper market (September 2024 to August 2025)

© Fujiko-Pro,
Shogakukan,
TV-Asahi, Shin-ei,
and ADK

BabyJoy Tape-Type Diapers (Saudi Arabia)

Research conducted by Unicharm's local subsidiary in Saudi Arabia showed strong concerns about back leakage among newborn and small-size users of disposable diapers, as babies spend most of their day lying down. In response, we added a back leak prevention pocket to the newborn and small sizes of our flagship *BabyJoy Compressed* tape-type disposable baby diapers and our high-value-added *BabyJoy Olive* tape-type disposable baby diapers. This unique feature to prevent back leakage, a common issue during early infancy, has led to improved user satisfaction.



MamyPoko Pants Happy Day & Night (Thailand)

In Thailand, dampness inside diapers caused by the hot and humid climate is a major source of discomfort for babies. To address this issue, in August 2025 Unicharm's local subsidiary in Thailand launched *MamyPoko Pants Happy Day & Night*, featuring a new wider ventilation structure. The unique design improves breathability while preventing leakage. By maintaining comfort inside the diaper throughout the day, the product supports the healthy development of babies, reduces the burden of childcare, and helps stimulate the local market.



Innovation Management

Digital Transformation (DX)

Our Basic Approach and Strategy

Unicharm strives to create new value centered on the processing and molding technologies for nonwoven fabric and absorbent materials that it has cultivated since its founding. This new value is certainly intended to improve consumers' quality of life, but to also help them continue to live in their own way and realize their ideal selves. However, as values continue to diversify, fulfilling the specific needs of each customer is no easy task.

In response, we leverage digital technology to visualize the vast array of data accumulated through our research and development activities over the years to develop insights into hidden desires of which customers themselves may be unaware. Even if we focused on a specific type of customer, their needs would change depending on the circumstance. By thoroughly identifying and understanding the precise needs that change according to the situation and providing the best possible products and services in the most suitable time and manner, we aim to endear ourselves to customers in such a way that they "could not imagine a world without Unicharm."

These are the kinds of measures we take to closely connect with people at all stages of life, from newborns to the elderly, and continue to provide incremental value so that they, as well as their pets, who are beloved members of the family, continue to use our products and services throughout their lifetime.

Management Structure

In January 2021, the Company established the DX Promotion Division and developed a system in which DX-related strategies are created and operated in an integrated manner from the perspective of Groupwide optimization. Specifically, the DX Promotion Division plays a central role in the Digital Transformation Alliance, a virtual organization that guides and manages the DX representatives of Group companies. The alliance oversees the promotion of DX throughout the Group by checking the progress of various DX initiatives and monitoring the development of employees into DX specialists.

Moreover, in July 2023 we established the Marketing by DX (MDX) Division. Aiming to maximize lifetime value, the MDX Division is developing a system that draws on digital technology to continue strengthening customer relations over the long term.

Recognized as a DX-Certified Operator

The DX certification system is a national system recognizing companies that meet the basic requirements specified in the Digital Governance Code based on the Act on Facilitation of Information Processing. Certified operators are deemed to be DX-Ready—that is, ready to transform their businesses using digital technology. Unicharm was recognized as a DX-Certified Operator in fiscal 2022.



Initiatives and Results

Providing Apps and Content That Cater to the Needs of Women

At Unicharm, we are dedicated to developing content that helps women address changes in their physical condition and concerns about menstruation.

Sofy Be

In July 2024, Unicharm began offering the *Sofy Be* app. In addition to its basic function of tracking menstrual cycles, the app contributes to women's mental and physical well-being by focusing on their hormonal cycles, which can greatly impact both the mind and body. By entering menstrual dates, users can visualize hormonal cycle fluctuations on a graph. Also, by using previously entered data on mental and physical conditions, the app helps women manage their health by providing them with a better understanding of the correlation between hormonal cycles and changes in conditions. The app features an AI chat function that addresses the concerns of women who feel they do not have a personal support network to talk about their physical and mental problems. In "fertility-related activities* mode," users can share information on the optimal timing for conception with their partners. Moreover, users of the app can enroll in *Sofy Omamori Insurance Medical Support for Women*, which covers illnesses and injuries, including fertility treatment, in all stages of life.



* 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

web **Sofy Be app (in Japanese only)**

<https://www.sofy.jp/ja/app/sofybe.html>

Providing Information on Menarche Through Our Dedicated Websites

Unicharm has established websites dedicated to menarche education in various countries and regions to help make the first menstrual cycle a positive experience. These websites provide easy-to-understand and accurate information about menstruation, including how the body functions, how to live comfortably during menstruation, and how to choose menstrual products.

web *Sofy First Body Navi* (Japan) (in Japanese only)

<https://jp.sofygirls.com/ja/girls.html>

web *Let's Talk Together! Sofy Classroom: Exploring the Human Body* (Japan) (in Japanese only)

<https://classroom.sofy.jp/>

web *power CHARM girls* (Indonesia) (in Malay only)

<https://www.powercharmgirls.com/>

web Menarche education content on *SOFY* brand website (Thailand) (in Thai only)

<https://th.sofyclub.com/th/advice/howtocare/Sofygirlguidebook.html>

Sofy First Body Navi Wins Excellence Award at Content Marketing Grand Prix 2024

Unicharm Corporation's website *Sofy First Body Navi* received the Excellence Award at the Content Marketing Grand Prix 2024, hosted by the Content Marketing Academy (NIPPON SALES PROMOTION CENTER CO., LTD. and Owned Media Study Group).

The Content Marketing Grand Prix is Japan's only contest dedicated to recognizing outstanding owned media and content marketing initiatives. The 2024 award reflects our efforts to continuously provide accurate and reliable content on important topics that significantly impact people's lives, such as daily living and health, under the supervision of experts, as well as to clearly define our target audience, creating more engaging content by addressing readers' concerns, thereby contributing to the enhancement of corporate brand value.



Sofy Girl App

Unicharm offers the *Sofy Girl* app to help the younger generation manage their menstrual cycles. The app is designed for children preparing for or experiencing their first menstrual cycle and their parents or guardians. It includes features such as automatically predicting and displaying menstrual dates up to three months in advance by recording the timing of menarche and the start of menstruation. The *Sofy Girl* app has been used by more than 1.25 million people as of December 31, 2025.

Overseas, our local subsidiaries in India and the Philippines also offer their own versions of the menstruation management app.

web *Sofy Girl* app (Japan) (in Japanese only)

<https://www.sofy.jp/ja/app/sofygirl.html>

web *SOFY Club* app (India)

<https://www.sofy.in/sofy-club-app/>

web *SOFY Club* app (Philippines)

<https://apps.apple.com/ph/app/sofy-club/id6479239447>

Sofy Sarakeda-so TikTok Account

Unicharm provides various information on menstruation and issues unique to women through its *Sofy Sarakeda-so* TikTok account, targeting the younger generation. The account has received more than 100 million views as of December 31, 2025.



Hands-Free Commute:

A Subscription-Based Model for Disposable Diapers

A subscription-based model for disposable diapers to alleviate the burden on both parents and childcare workers, *Hands-Free Commute* is a service that monitors data on the number of disposable diapers and baby wipes in stock at nursery schools and automatically calculates order quantities. Also, Unicharm Corporation and business partner BABY JOB Inc. have acquired several business model patents in relation to the *Hands-Free Commute* service. This initiative has been adopted at over 5,200 childcare facilities in Japan as of December 31, 2025.



P26 Circular Recycling of Used Disposable Diapers

Gohan Matching Service

In July 2024, Unicharm launched the *Gohan Matching* service, in which AI provides recommendations on dry cat food matching the user's cat simply by answering questions. Based on responses to 21 questions regarding a cat's age, weight, health, preferred ingredients, and other characteristics, our proprietary AI recommends three types of dry cat food that are ideally suited from among more than one trillion response patterns. In addition, the results page displays product features of the recommended cat food as well as information on retail stores and online stores that carry these products. Going forward, we will continue to refine the algorithm to recommend products with even greater accuracy.



web **Gohan Matching (in Japanese only)**

https://jp.unicharmpet.com/ja/food_matching/index.html

DOQAT Pet-Related Q&A Service

DOQAT is an online Q&A service platform where dog and cat owners can share information and advice on any matter related to their beloved pets, with approximately 60,000 registered users as of December 31, 2025. Through the sharing of experiences and ideas between people with dogs and cats of similar breeds and ages, the service enables owners to gain insights from one another and lead happier and more peaceful lives with their pets. We also utilize Q&A data to develop even better products and further improve communication with our customers.



web **DOQAT Pet-Related Q&A Service (in Japanese only)**

<https://doqat.jp/>

Petnote: Online-to-Offline (O2O) Platform for Pet Products

Petnote is an online-to-offline (O2O)* platform for pet products operated in China by Onedot Inc. and Shanghai Wanli Network Technology Co., Ltd., affiliated companies of Unicharm Corporation. It offers a speedy O2O commerce service, in which pet food and pet supplies are ordered through the *Petnote* app or various other apps and delivered to customers' homes in approximately 30 minutes to an hour. The service is available in 22 major cities across China as of December 31, 2025, and continues to expand.

In addition, the *Petnote* WeChat mini program allows users to record various aspects of their pet's health. These include daily records of their pet's diet, weight, and incontinence care, irregularities, memories from events, and even the timing of nail clippings and shampoos. Users can also receive consultation services on their pet's health from a dedicated veterinarian.



Petnote

* Online-to-offline (O2O): A marketing method to promote the use of real-world (offline) services by using apps and social media (online)

Use of Gemini Generative AI Models

In addition to our proprietary UniChat AI text generation service, we introduced Google's latest generative AI models, Gemini and NotebookLM, across our global operations in September 2025. These AI tools are seamlessly integrated into the Google Workspace ecosystem, enabling us to maintain a robust security environment while rapidly incorporating the latest features into our daily work processes. We are now moving beyond simple searches, translations, and other basic functions to more advanced and practical applications. More specifically, by using Gemini's Gems features, employees can build and operate AI agents optimized for their specific tasks, facilitating the efficient aggregation of large volumes of information and overcoming hurdles to gaining new insights.

Furthermore, our emphasis is on developing people who can effectively utilize these tools rather than on their implementation itself. Through continuous education programs such as Companywide study sessions and support systems tailored to the skills of departments and individuals, we are committed to strengthening our organizational capabilities by developing personnel who can utilize AI as a trusted partner. The extra time afforded by using AI is allocated to creative activities to develop new products and services that capture the hearts of consumers.

Development of Smart Factories

Initiatives in Japan

The Kyushu Factory, completed in March 2019, is the Group's first smart factory. With the aim of streamlining tasks to be performed by anyone, realizing a safe working environment, and producing safe and reliable products, the Kyushu Factory has introduced IoT technology to provide timely access to on-site information, automated*¹ the movement and supply-related tasks of heavy items through the adoption of driverless vehicles and robots, and implemented AI-based data diagnostics to detect irregularities and predict malfunctions along production lines, thereby reducing labor and increasing efficiency.

In addition, Toyohama Logistics Center, a logistics hub of Unicharm Products Co., Ltd. that commenced operations in May 2024, is equipped with automated equipment developed by Trancom Co., Ltd. The use of this equipment has improved the efficiency of cargo operations by reducing the number of cargo handlers by approximately 50% and increasing storage capacity by approximately 10%, thereby eliminating labor shortages and strengthening and stabilizing the supply system.

We are also advancing efforts to develop smart factories at the Fukushima Factory, Shizuoka Factory, and Shikoku Factory through the introduction of collaborative robots and SCADA.*²

*1 A form of automation that aims to integrate human craftsmanship and knowledge with digital technology

*2 Supervisory Control and Data Acquisition: A supervisory control system that controls processes and centralizes monitoring in manufacturing and industrial settings

Initiatives in China

In March 2025, Unicharm's Shanghai Factory in China began efforts to obtain smart factory certification and, on December 26, 2025, was officially recognized as a Smart Factory by the Shanghai Qingpu District Economic Commission. This certification attests to the factory's ongoing commitment to promote the digitalization of its production processes and enhance the efficiency thereof.

Streamlining Logistics Operations Using Logistics EDI

Since August 2023, Unicharm has been distributing Advanced Shipping Notices (ASN)*³ to wholesalers using Logistics Electronic Data Interchange (EDI)*⁴ provided by PLANET, INC. to improve productivity by digitalizing logistics operations. The distribution of ASN to wholesalers simplifies inspections at time of delivery and digitalizes the invoicing process (reduces paper use), thereby improving productivity by reducing time spent on receiving goods and enhancing the efficiency of logistics resources. In addition, the digitalization of individual logistics transaction information, such as ASN, is expected to optimize transportation and delivery efficiency and inventory throughout the supply chain.

We will continue to improve the efficiency of logistics operations throughout the daily commodity goods industry in cooperation with wholesalers and logistics operators.

Benefits of Using ASN

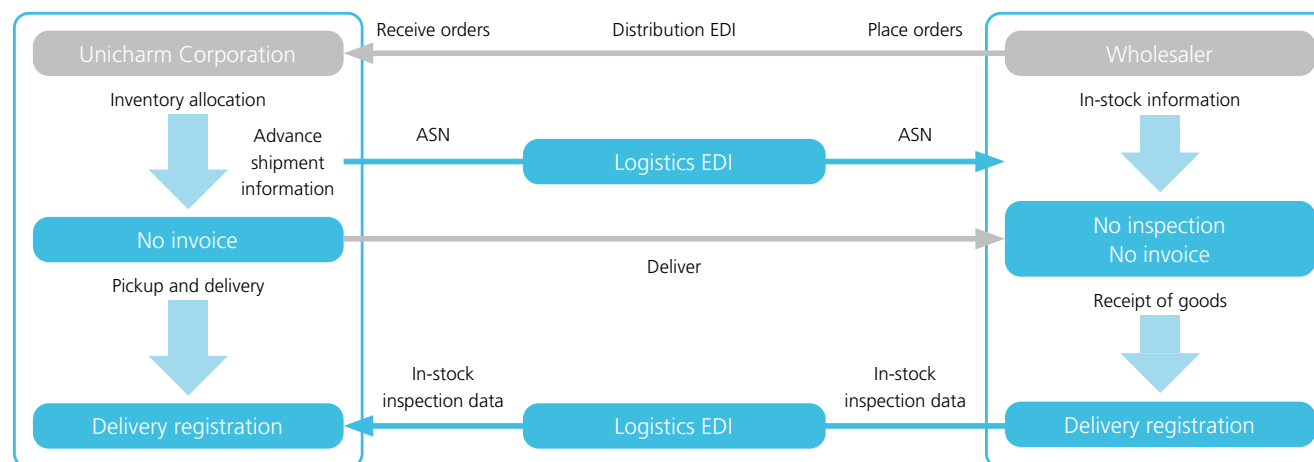
1. Digitalization of invoices reduces the use of paper
As Unicharm can distribute delivery statement information to the wholesaler using ASN data and the wholesaler can distribute inspection data to Unicharm via Logistics EDI upon receipt of goods, neither party needs to print, store, or input invoice information, thereby improving operating efficiency.
2. Simplifies inspections at time of delivery between the Company and wholesaler
As Unicharm can distribute ASN via Logistics EDI and the wholesaler can perform warehousing and storage tasks based on delivery statement information obtained in advance, the inspection process for incoming goods is simplified, thereby reducing throughput time*⁵ for delivery vehicles.

*3 Advance shipment information provided by the shipper to the receiver, consisting of ship-from and ship-to codes, order number, product code, delivery quantity, and other information

*4 EDI for logistics standards between manufacturers and wholesalers in the daily commodity goods industry; allows the manufacturer to distribute ASN to the wholesaler and the wholesaler to distribute in-stock inspection data—which provides information on receipt of goods—to the manufacturer

*5 The time it takes for a product to enter and exit the delivery site

Workflow Using ASN



Innovation Management

Intellectual Property

Our Basic Approach and Strategy

Unicharm is committed to developing products and services that embody its corporate brand essence “Love Your Possibilities.” We strive to sustain competitive advantages by steadily applying and acquiring intellectual property (IP) created through these activities. In addition, we actively promote IP landscaping, which involves analyzing a wide range of IP information and incorporating it into our decision-making. The responsibility for planning and implementing IP strategies is shouldered principally by the Intellectual Property Division.

The Intellectual Property Division centralizes the management of the Unicharm Group’s IP assets and plans and executes IP strategies linked to its business and development strategies. To fully utilize our intellectual property, we promote initiatives that organically link the processes of IP asset creation, IP protection and rights acquisition, and utilization. In addition, regarding trademarks that protect our brands, we have applied for, registered, and utilize trademark rights in more than 160 countries and regions worldwide, committed to protecting the entire brand, including packaging.

Along with raising the quality of our IP assets, we strive to acquire IP rights in a timely manner through the use of the Patent Prosecution Highway program of the Japan Patent Office and various accelerated examination systems. We are building and strengthening our strategic IP portfolio of know-how for reducing environmental impact such as recycling technologies for used disposable diapers, as well as in fields that contribute to the SDGs. We are also working to promote IP policies through active exchanges of opinion with the Japan Patent Office.

Furthermore, Unicharm takes a firm stance on protecting its IP rights, including filing lawsuits to tackle infringement or unauthorized use. Its Intellectual Property Division cooperates closely with the Marketing Division and R&D Division as well as overseas subsidiaries, and is committed to eliminating unauthorized and counterfeit products by working with government agencies and other organizations in various countries and regions, primarily Japan and other parts of Asia.



web Patent Prosecution Highway program
<https://www.jpo.go.jp/e/system/patent/shinsa/soki/pph/index.html>

Management Structure

Independent of the R&D Division and business divisions, the Intellectual Property Division is fully responsible for all matters related to intellectual property. The Intellectual Property Division holds regular meetings with the relevant divisions and subsidiaries to discuss, plan, and implement IP activities that help bolster Unicharm’s competitiveness. Moreover, by quantitatively evaluating Unicharm’s IP rights and conducting inventory reviews, the Intellectual Property Division ensures that these assets are managed appropriately.

Initiatives and Results

Making Active Use of Intellectual Property

At Unicharm, we actively leverage IP rights to protect our high-value-added products and services. In particular, we are strengthening our IP mix, which involves coordinating and making multilateral use of multiple IP rights, including patents, utility models, designs, and trademarks. We have two objectives in this area. The first is acquiring patents for new technologies and using these rights to showcase our technological capabilities, deterring competitors from easily entering high-value-added categories. The second is eliminating imitations that resemble the appearance and selling points of our products, thereby preserving brand trust and value. By ensuring multilayered protection through our IP mix, Unicharm strives to prevent customers from mistakenly purchasing similar products and minimize damages from counterfeit products.

Furthermore, we analyze and keep abreast of how our IP compares with that of other companies, objectively identify its strengths and weaknesses, and communicate this information to management and other key personnel within the Company so that it can be incorporated into various decision-making processes.

IP Activities That Have Enhanced Our Social Reputation

Unicharm's IP activities contribute to the continuous creation of innovation and have been highly recognized outside the Company.

For example, our horizontal recycling project for used disposable diapers, *Recycle for the Future (RefF)*, was recognized for its social impact toward realizing a circular economy. The project received the Asahi Shimbun Award and the Invention Implementation Achievement Award at the 2025 National Commendation for Invention hosted by the Japan Institute of Invention and Innovation. In addition, at the 2025 Shikoku Local Commendation for Innovation, Unicharm received the Prize of the President of the Japan Patent Attorneys Association for its mini pet sheets that can be applied over regular size pet sheets to cover urine spots,* an invention that reduces waste from used pet sheets.

Furthermore, the *RefF* trademark is printed on the packaging of products using recycled pulp produced through our proprietary technologies. We have also licensed the use of the *RefF* trademark to other companies participating in the project and are working to promote awareness of the *RefF* brand through the active use of this label.

Going forward, we will continue to actively utilize our technology-based IP assets and work together with local governments and other companies to realize a recycling-oriented society.

* This invention has been incorporated into Unicharm's *Deo Sheet Kirei Pad* pet sheets.

P.28 Recipient of the Asahi Shimbun Prize and the Invention Implementation Achievement Award at the 2025 National Commendation for Invention

In-House Training Programs

To protect and promote the respect of IP rights held by Unicharm and other companies as set forth in the Unicharm Group Charter of Actions, we conduct internal compliance training for employees in Japan and overseas subsidiaries on patents, trademarks, and the Premiums and Representations Act through a combination of off-the-job training, on-the-job training, and e-learning.

Invention Reward Program

Unicharm has established the Invention Reward Program to recognize inventions that have achieved results in all aspects, including not only a product's functional value but also its social value, technical value, and intellectual property value. This program debuted in 2004 to inspire and encourage employees to create new inventions, and has presented a total of 22 awards as of fiscal 2025.

Customer Satisfaction

Responsibility to Our Customers (Consumers)

Our Basic Approach and Strategy

102-16

At Unicharm, it is a top priority of our corporate activities to continuously provide products and services that provide

► Declaration of Consumer Orientation

Philosophy

We contribute to creating a better quality of life for everyone by offering only the finest products and services both in Japan and abroad.

Policy on Basic Initiatives—Commitment of Senior Management

Unicharm hereby declares that it will always respond to customer complaints and inquiries in an honest, swift, and fair manner.

- I. All feedback received from customers is collected at the Customer Communication Center (CCC) and addressed fairly and impartially by the CCC based on the quality management system (QMS) (ISO 9001) complaint correspondence process manual and ISO 10002 complaint response process documents. Information concerning problems with products or services is swiftly reported to senior management and necessary steps are taken to improve the situation.
- II. If the situation must be remedied, all relevant departments work together following the QMS (ISO 9001) procedures on rectification and prevention to swiftly remedy the problem and prevent any future recurrences.
- III. Customer feedback is seriously reviewed and efforts are made toward improvements involving all relevant departments so as to ensure customer satisfaction going forward. We strive to ensure that precious customer feedback can be properly reflected in our improvement activities for products and services.

Specific Initiatives

I. Ensuring corporate governance: A system for reporting customer feedback to senior management without fail or delay

We will carry out transparent corporate management and actively disclose information while working to fulfill the Company's growth and development, employees' happiness, and our social responsibilities.

At executive meetings, time is allocated for discussing and disseminating a correspondence policy based on a serious review of feedback received from customers provided by the CCC.

II. Proactive initiatives involving all employees: Fostering of a corporate culture and employee mindset that are customer-oriented

In order to improve customer satisfaction, once every year, all Unicharm Group employees, including those from outside Japan, come together to present company products and services as well as proposals for pleasing customers in an effort to learn about best practices. This enables all Unicharm Group employees to share a customer-oriented mindset and strive for further improvement.

III. Swift response through systematic collaboration between relevant departments: Initiatives for swift and honest responses

All feedback received from customers is collected at the CCC and addressed fairly and impartially by the CCC based on the QMS (ISO 9001) complaint correspondence process manual and ISO 10002 complaint response process documents.

Information concerning problems with our products or services is reported promptly to senior management for immediate improvement. When corrective measures are necessary, the relevant departments will work together to resolve the issue promptly and prevent any future recurrences.

with the Customer Communication Center Vision and the Complaint Correspondence Policy.

Also, in fiscal 2017 Unicharm issued its Declaration of Consumer Orientation to declare its ongoing commitment to enhancing customer satisfaction.

IV. Enhanced information provision to consumers and two-way exchanges of information: Dissemination of information for safe use

Frequently asked questions about product safety will be published on the Company's website in an effort to disclose this information to as wide an audience as possible. We will provide information to customers by various means so that they can use our products safely and effectively. These means include product packaging, user manuals, and advertisements to educate customers about the correct way to use products, as well as through our corporate website, news releases, and disseminations from the CCC.

V. Improvement and development based on consumer and social needs: Product creation making customer-oriented approaches and social responsibilities a reality

The Company will work on improvement activities linking the needs of customers with commercialization of products after carefully reviewing customer feedback.

We will set rigorous environmental standards for our products and carefully select product designs and raw materials to meet the challenge of reducing waste in the production process to the greatest extent possible.

The Company will also work as one solid team toward mitigating environmental impacts, including reducing waste throughout its business activities.

Date of Establishment: January 16, 2017

Revised: January 1, 2021

Takahisa Takahara

President & CEO

Unicharm Corporation

Please refer to the following sections for more details on our initiatives.

I. Ensuring of corporate governance

II. Proactive initiatives involving all employees

P.74 Responsibility to Our Customers (Consumers) > Initiatives and Results

III. Swift response through systematic collaboration

between relevant departments

P.74 ISO 10002 Complaint Response Management System

P.77 ISO 9001 Quality Management System

IV. Enhanced information provision to consumers and

two-way exchanges of information

P.74 Measures to Enhance Customer Satisfaction

P.75 Providing Useful Information and Services to Customers

V. Improvement and development based on consumer and social needs

P.75 Training Sessions for Employees Using Feedback from Customers

P.75 Example of Products Reflecting Customer Feedback

► Customer Communication Center Vision

We aim to have our customers shift their minds from saying “I’m glad that I inquired and consulted with the Customer Communication Center” to “I’ll purchase Unicharm products because they are trustworthy and I know I can contact the Customer Communication Center whenever I need to.”

To achieve this goal, we are committed to making sure that “listening compassionately to the true voice of customers and conveying our thoughtful message to them” becomes second nature, treating others’ matters as our own and solving their immediate problems together while providing them with greater inspiration for childcare and nursing care, thereby sharing our joy and excitement and encouraging them to purchase Unicharm products again. By doing so, we would like to deepen our bonds with customers in Asia and around the world.

► Complaint Correspondence Policy

1. Customer feedback will be centrally managed by the Customer Communication Center and addressed in a fair and impartial manner in accordance with the QMS (ISO 9001) complaint correspondence process manual and ISO 10002 complaint response process documents. Information concerning problems with our products or services will be reported to the president & CEO and steps will be taken immediately to remedy them.
2. If our products or services must be revised based on customer feedback, all relevant departments will work together to immediately rectify the situation and prevent any future recurrences in accordance with the QMS (ISO 9001) complaint correspondence process manual.
3. We will strive to reflect the valuable feedback from customers in our products and services. We will take customer feedback seriously and exert our best efforts so that each department works together to ensure that customers will be satisfied.

Management Structure

With the chief quality officer (CQO) in charge of quality control, Unicharm strives to improve quality and safety through customer opinions, which are collected by the CCC and relevant departments, and develop products that are tailored to customer needs.

Moreover, as an independent department that reports directly to the president & CEO, the CCC consults with the president & CEO and the CQO on the customer response policy once every six months. At meetings held by the CQO roughly once a month, we have developed and are operating a system to check the progress of targets and discuss and confirm the appropriate promotion of consumer-oriented management.

ISO 10002 Complaint Response Management System

We are building a response system that is compliant with the ISO 10002 complaint response management system (MS), an international standard for complaint response management.

In addition to Japan, Unicharm issued its declaration of conformity with the ISO 10002 complaint response MS at the CCCs of its overseas bases in China, Taiwan–Greater China, Thailand, Indonesia, Australia, and Vietnam, and aims to do so in India and Brazil going forward. Upon declaration, we verify that the system is being operated properly through regular audits and information exchanges by our CCC in Japan.

Indicators and Targets

► Kyo-sei Life Vision 2035: Safeguarding the Well-Being of Society

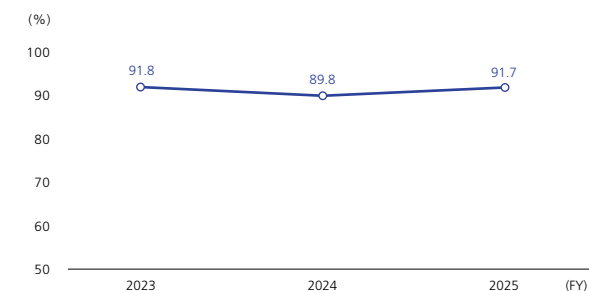
Indicator	Target	Target Year
Customer satisfaction level at CCC	85% or more	Every year

Initiatives and Results

Measures to Enhance Customer Satisfaction

Unicharm conducts training sessions led by outside instructors and study sessions on specialized knowledge to enhance the quality of firsthand customer service provided by employees. In addition, we carry out a customer satisfaction survey each year through the participation of a third party as a part of our various efforts to continuously enhance the quality of service provided by the CCC. According to our fiscal 2025 survey, 91.7% of respondents were satisfied with our level of customer service, an increase of 1.9 percentage points from the previous fiscal year.

► Customer Satisfaction Level



Activities of Overseas CCCs

With the aim of improving customer satisfaction across the Group, including overseas subsidiaries, Unicharm is working to improve customer service skills based on the ISO 10002 complaint response MS and strengthen interoffice collaboration. On December 26, 2025, Unicharm made a declaration of conformity with the ISO 10002 complaint response MS in Vietnam.

A meeting is held every six months with the participation of the CCC in Japan and overseas CCCs in China, Taiwan–Greater China, Thailand, Indonesia, Australia, India, Vietnam, and South Korea. We also hold monthly meetings with the CCC in Brazil. Through these initiatives, we share issues in each country and region and work together to develop solutions, thereby improving the quality of our customer service across the Group.

Providing Useful Information and Services to Customers

The “Know and Useful” section (in Japanese only) of Unicharm’s corporate website offers information and advice on nursing care, incontinence care, menstruation, fertility-related activities, pregnancy and childbirth, childcare, and living with pets.

In addition, we offer a range of services to improve customer satisfaction. Specifically, we introduced a chatbot-based service that helps users select the right adult diaper in an interactive manner; the *Adult Diaper Counseling* service, which combines LINE’s chat-based diagnostic feature and Bodygram, an AI technology that enables measurements to be made automatically through data read by smartphones; and the *Store Locator System* service, which allows customers to immediately look up stores in their vicinity that sell Unicharm products at any place and time using their location information.

web Know and Useful (in Japanese only)

<https://www.unicharm.co.jp/ja/useful.html>

web Adult Diaper Counseling service (in Japanese only)

<https://www.unicharm.co.jp/ja/company/news/2021/1207-02.html>

web Store Locator System service (in Japanese only)

<https://map.unicharm.co.jp>

Training Sessions for Employees Using Feedback from Customers

The CCC provides employee training aimed at improving quality and customer-oriented approaches. In fiscal 2025, the CCC provided a curriculum using voice data, such as recordings of actual phone conversations with customers, to 149 newly hired graduates and employees of the R&D Division, as well as the 255 participants of our Management with Resonance Practical Meeting. By providing such opportunities to hear the voices of customers, employees learn about the significance of incorporating customer feedback into our product development. It also inspires us to improve our customer-oriented approaches across the Group and further strive to provide products that bring satisfaction to our customers.

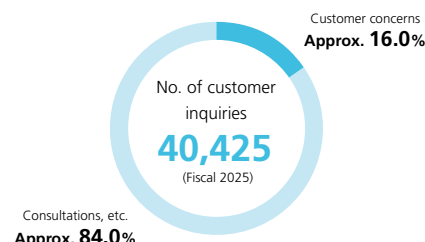
Reflecting Customer Feedback in Our Products and Services

In fiscal 2025, the number of customer inquiries decreased by 6.9% to 40,425 (from 43,414 in fiscal 2024), and of these, the number of customer concerns were 6,494, a decline of 3.2% (from 6,707 in fiscal 2024). The introduction of chatbot AI technology and the *Store Locator System* service, the addition of Q&A sections on our corporate website, and other measures to improve customer access to information contributed to the decrease in the number of inquiries.

Customer feedback is shared in real time through the FAIN centralized management system and is also compiled into monthly reports for the relevant departments. In addition, members of the CCC actively participate in debriefing sessions with the R&D Division and the Marketing Division as well as product package confirmation meetings (consumer communication meetings) to continue to develop even better products and services for our customers.

P.79 Measures to Ensure Appropriate Product Labeling

► Breakdown of Customer Inquiries



Example of Products Reflecting Customer Feedback

Clearer Labeling for SMART COLOR Face Masks

We earnestly strive to incorporate feedback from our customers. One example of such feedback regards the labeling of our *SMART COLOR Large Size* face masks. The size of these masks was originally indicated only at the top of the packaging, which otherwise resembles the regular size, causing customers to select the wrong size. As part of our October 2025 product renewal, we addressed the need for clearer labeling by adding a “Large” label to the lower left area of the packaging, allowing customers to identify the preferred size at a glance with confidence.



Expressions of Gratitude from Customers

At Unicharm, we share the expressions of gratitude we receive from customers with all employees via the company intranet.

| Sofy Odekake Koukan Shorts

When I was on a business trip overseas, I wore *Sofy Odekake Koukan Shorts* for the entire first two days of my period. I was able to stay dry and comfortable without any concerns about leakage or odor. The part I was impressed with the most was that I could replace these shorts-type pads without taking off my pants, even inside a bathroom that was not the most sanitary. Thank you so much for developing such a wonderful product that supports the lives of working women.



| Manner Wear For Cats

When my beloved cat was having trouble urinating due to illness, I was overwhelmed by the constant cleaning I had to do each day. That was when I discovered *Manner Wear For Cats*. My cat did not react negatively at all to wearing these diapers and it allowed me to focus more on caring for my cat’s illness without having to dedicate my time to laundry and cleaning. Thank you so much for developing and selling such a convenient and comfortable product.



| Lifree Sawayaka Peace of Mind Pads for Men

After prostate cancer surgery, my husband suffered from severe urinary leakage. He gradually gave up going out and enjoying his hobbies and was feeling depressed each day. There was a point when returning to work seemed impossible, but everything changed when he began using *Lifree Sawayaka Peace of Mind Pads for Men*. The product effectively eliminates odors, providing a sense of security, and my husband has regained his confidence and enthusiasm as a result. It is not as if he is completely free from concerns about leakage, but he has returned to work and it makes me happy to see him look forward to going on business trips again.



Quality

Quality Assurance

416-1

Our Basic Approach and Strategy

At Unicharm, 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. In keeping with this belief, which is set forth in the Unicharm Ideals, we are committed to continuously improving the quality of our products by always thinking from our customers' point of view.

Since many of our products used by customers come into direct contact with their skin or are used by or given to their dogs and cats, we must not only continuously strive for improvements in quality and safety but also ensure that our labels convey information appropriately so that our products can be used with peace of mind.

Policy on Management of Chemical Substances

To provide safe and reliable products and services to customers while reducing their impact on the natural environment, Unicharm is committed to meeting its own high safety standards throughout the entire product life cycle, from materials procurement to product development, manufacturing, customer use, and disposal. In addition, we conduct comprehensive product risk assessments, including chemical analyses, as we believe it is our corporate social responsibility to be accountable to customers for the safety of our products. The Unicharm Group uses its Material Safety Guidelines to minimize the impact of chemical substances in our products on the human body, dogs and cats, and the natural environment, and applies a policy for managing chemical substances that ultimately eliminates all harmful impacts found in the raw materials we use.

In defining harmful substances, we broadly gather information from a global perspective, such as from the databases of the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) and the European Chemicals Agency (ECHA); identify approximately 4,000 chemical substances from potentially harmful substances classified as substances of very high concern (SVHC); as well as toxic pigments, preservatives, modifiers, and surfactants, and create a list of target substances for reduction. While the target reduction substances are being determined, the information we receive from material suppliers on the substances found in their materials is used to conduct product risk assessments to measure the toxicity of chemical substances.

[web](#) List of Target Reduction Substances

https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/quality/quality_material_list.pdf

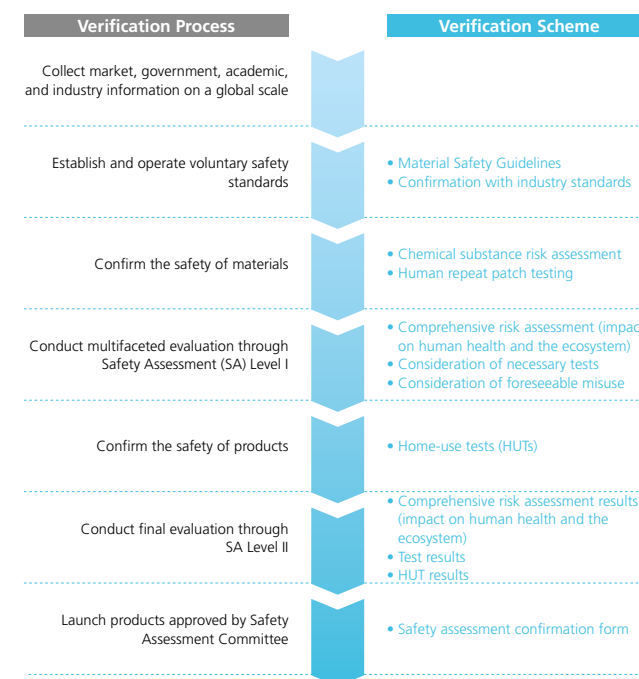
[web](#) Toxicity Risk Evaluation (in Japanese only)

https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/quality/quality_toxicity_risk.pdf

Policy on Animal Testing

From an animal welfare perspective, Unicharm is eliminating animal testing as a means to verify and prove the impact of chemical substances on health and the natural environment. We no longer conduct experiments on animals, including outsourced testing, to check the safety of our products nor do we plan to in the future. This excludes cases where Unicharm is required to explain product safety to society or where animal testing is required by regulatory authorities in certain countries and regions. Whenever animal testing is unavoidable, we will minimize its use based on the 3R Principle for animal experiments: the "replacement" of animals with alternative testing methods, the "reduction" of the number of animals used, and the "refinement" of animal experiments to alleviate the pain and distress of animals.

► Safety Confirmation Workflow



Reference Information

- GHS (Globally Harmonized System of Classification and Labelling of Chemicals)
- ECHA (European Chemicals Agency)
- SVHC (Substances of Very High Concern)
- RoHS (Restriction of Hazardous Substances) Directive
- REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)
- OEKO-TEX® STANDARD 100
- Commission Regulation (EU) 2015/1221
- DIRECTIVE 2009/48/EC
- POPs (Persistent Organic Pollutants)
- Dioxin Regulation Act
- Montreal Protocol

Management Structure

At Unicharm, our quality management system is verified for compliance and effectiveness to ensure the highest levels of quality and, to that end, is audited internally and externally, primarily by the Global Quality Assurance Department under the direction of the chief quality officer (CQO). While taking corrective and preventive measures, the Global Quality Assurance Department, Unicharm Products Co., Ltd.'s Quality Control Department, and the Customer Communication Center jointly conduct management reviews on a regular basis and report the results to the CQO, which are reflected in our ongoing efforts to enhance quality on a Companywide basis.

ISO 9001 Quality Management System

Certain business sites in Japan and overseas have obtained ISO 9001 certification, the international standard for quality management systems, and operate a quality management system based on this standard. Relevant business sites in Japan and overseas have acquired ISO 13485 certification, the international standard for quality management systems specific to medical devices. As of December 31, 2025, 90.3% (84.6% in Japan, 94.4% overseas) of Unicharm's business sites were ISO 9001-certified while 100% of its relevant business sites were ISO 13485-certified.

P.150 Social Data > The Unicharm Group's ISO Certifications

Initiatives and Results

Safety Initiatives

To provide customers with peace of mind when using our products on their skin or when feeding their dogs and cats, we conduct quality gate checks at each stage of the product life cycle, from material procurement to product development, manufacturing, customer use, and disposal, in accordance with the Unicharm Management System Basic Regulations. At the product development stage, we have established a gate check function in safety assessments to assess the risks associated with products based on their various uses and methods of disposal. For products confirmed as safe for customer use, a safety assessment confirmation form is issued. In addition, those products using materials that have been confirmed as safe are then tested for actual use.

Global Safety Initiatives

Safety initiatives are essential in all countries and regions where we operate. For that reason, we have been operating a Groupwide safety confirmation system, led by our local subsidiaries in China, South Korea, Taiwan–Greater China, Thailand, Indonesia, and Vietnam. Moreover, meetings attended by the representatives of each country and region, as well as periodic one-on-one meetings, are held to share insights and information on safety initiatives.

In addition, we visit suppliers, testing partners, and government institutions around the world as a means to strengthen communication.

Operation of Chemical Substance Management System

In fiscal 2017, Unicharm introduced a system that keeps track of information on the chemical substances contained in its products, enabling the Company to strengthen its relationships with material suppliers and manage chemical substances more efficiently. As of December 31, 2025, this chemical substance management system is operated in six countries and regions, including Japan. We will continue to gradually expand our network for this system and develop a framework that enables the local representatives who are in charge of the increasing volume of imports and exports to comply with the regulations of the countries and regions in which our products are sold and swiftly conduct inspections on chemical substances in our products, thereby providing customers with even greater levels of safety and peace of mind.

Providing Chemical Substance Information 417-1

Based on our chemical substance management policies and standards, it has been confirmed that there are no safety issues concerning the chemical substances in our products. In addition, these chemical substances are disclosed on product packaging in accordance with laws and industry standards, enabling customers to confirm such information firsthand and use our products with peace of mind.

乳幼児のおしりふき用 **化粧水** 手や体にも使えます
販売名: ムーニーおしりふき f お問い合わせ先(発売元)
 寸法: 130mm×200mm 枚数: 76枚×3コ **ユニチャーム株式会社**
 つめかえ用 成分: 水、乳酸、グリセリン、安息 108-8575 東京都港区三田3-5-19
 香酸Na、メロキサポール252、セトリモ お客様相談ダイヤル ☎0120-192-862
 ウムクロリド、ポリアミノプロピルピグアニド、 受付時間(土日を除く)
 EDTA-2Na、ベンザルコニウムクロリド 月曜日から金曜日/9:30~17:00
 基布素材: ポリブ、ポリエスデル、レーヨン、 **製造販売元**
 ポリオレフィン **ユニチャームプロダクツ株式会社**
 包材材質 外装: PP 内装: PE, PET ラベル: PP 〒769-1602
 香川県観音寺市豊浜町和田浜1496-1

Example of product information on packaging

Pet Food Safety Initiatives

1) Global-Standard Raw Material Quality Assurance System

Unicharm has established rigorous in-house raw material procurement standards that incorporate international standards for the quality and manufacturing of food and feed. In the raw materials selection process, we conduct a double-check in accordance with not only the Ingredients Specification Sheet issued by suppliers, but also our proprietary Ingredients Survey Sheet based on domestic and international regulations and extensive internal expertise. At the same time, in addition to data-based verifications, we carry out multifaceted evaluations to ensure the adequacy of measures against foreign substances, pesticide residues, and microbial contamination.

Moreover, by systematizing this verification process, we visualize the progress of evaluations and prevent human error. The system is designed to continuously incorporate the latest risk information and keep standards up to date. After the introduction of raw materials, we continuously monitor quality control status by conducting regular on-site audits and remote audits of suppliers in Japan and overseas.

2) Ensuring Final Product Safety Through a Scientific Approach

Unicharm ensures the safety of its Final products through strict compliance with the laws and regulations of each country and region and scientific verification. In addition to complying with Japan's Pet Food Safety Act and standards set by the Pet Food Fair Trade Association, our products are regularly inspected for safety by an external agency based on the laws and regulations and highest industry standards of each country and region where we operate. At the product design stage, we incorporate nutritional formulations tailored to the breed and life stage of dogs and cats, in addition to shelf-life tests and freshness-preserving technologies, such as the utilization of oxygen absorbers, barrier films, and aluminum metalized films. These technologies are designed to not only maintain deliciousness, but also scientifically enhance the safety of our products by ensuring that they arrive in the hands of customers without the risk of oxidation or deterioration.

3) Transparency of Product Information

We continuously ensure that product information is disclosed with a high level of transparency to maintain the trust of our customers. We disclose information on product packaging and websites by emphasizing the importance of intuitively reassuring customers and not misleading them, while strictly complying with relevant laws and regulations, such as the Pet Food Safety Act and the Pet Food Fair Competition Code. To that end, we have implemented a cross-check system involving multiple departments, including product development, legal affairs, and marketing, to ensure objective and honest communication.

Quality Management Initiatives in Manufacturing

To deliver products of consistently high quality to customers, we standardize the manufacturing conditions of our factories and manual processes and rigorously maintain and monitor these standards to minimize manufacturing variations and ensure stable quality. In addition, we promptly share feedback from customers on product quality with our production sites and carry out quality improvement activities through the Unicharm Total Management Strategic System (UTMSS). The objective is to eliminate the true causes of defects based on the three "gen" principles—*genba* (actual place), *genbutsu* (actual item or product), and *genjiten* (actual time). The results of these improvement activities are shared at a presentation ceremony held once a month or more. Activities of particularly outstanding value are recognized at the Global Production Award ceremony and deployed across our factories worldwide. In recent years, we are also advancing digital transformation at our production sites. Using cameras and electronic measurement devices to conduct digital inspections, we have achieved quality checks of frequency and precision that exceed the capabilities of the human eye.

By continuously strengthening our production management system, we will strive to eliminate product defects and enhance production efficiency, thereby maximizing customer satisfaction.

Dermatest® Dermatological Skin Test

Dermatest® is an internationally renowned dermatological laboratory established in Germany in 1978 that specializes in clinical trials using human subjects, cosmetics testing, and dermatology by adhering to strict testing standards.

Some Unicharm products sold in Malaysia, Singapore, Saudi Arabia, Taiwan—Greater China, South Korea, and other markets are certified as "excellent" by Dermatest®, receiving the highest rating in its dermatological skin test. This certification mark is printed on the packaging of each product.



Disposable adult diapers sold in Saudi Arabia

Acquisition of OEKO-TEX® STANDARD 100 Certification

OEKO-TEX® STANDARD 100 is an international safety certification for textile products given only to products that clear strict standards after analysis and testing for more than 1,000 types of harmful substances by authorized testing institutes that belong to the international consortium OEKO-TEX®. To bear the STANDARD 100 label, which assures high standards of safety, all raw materials used in the product must clear the specified safety criteria.

Unicharm's cosmetic cotton products, including *Silcot Soft* and *Rich Touch Cotton* and *Silcot Facial Towel Suhada Omoi Premium* disposable facial wipes, have received product class I (textile products for babies) certification, which is subject to particularly strict requirements within OEKO-TEX® STANDARD 100.



**STANDARD
100**

Measures to Ensure Appropriate Product Labeling

417-1

In its marketing communications (product packaging, website announcements, and advertising materials), Unicharm has created its own voluntary standards based on the Pharmaceutical & Medical Devices Act, the Premiums and Representations Act, the Containers and Packaging Recycling Law, and the industry standards set by the Japan Hygiene Products Industry Association, in order to provide correct information to its customers. In addition to confirming compliance with these standards, we are working on a Groupwide basis to realize the most optimal and accurate labeling possible, by verifying whether the information we provide will lead to misunderstanding or misuse on the part of customers. Our voluntary standards in response to changes in our internal and external business environment, including the diversification of advertising media and changes in consumer awareness due to shifts in distribution channels, are then shared with the relevant departments through training and other means.

Additionally, a consumer communication meeting is established at the product design and packaging design stages to serve as a specialized screening function for product labeling. At the product design stage, we verify that the information on product labels is based on scientific evidence, while at the packaging design stage, we confirm whether the labeling is appropriate from the viewpoint of our customers through the participation of members from our Customer Communication Center.

Standardization as a Foundation for Future Dissemination and Its Benefits to Society

Standardization* plays an important role in not only enhancing a company's competitiveness but also in contributing to the benefit of society as a whole. Aiming to realize a sustainable society through our business activities, we actively take part in standardization efforts in various fields.

For example, we contributed to the formulation of JIS S 0261:2024, a Japanese Industrial Standard (JIS) that stipulates requirements for the quality of recycled pulp for urine absorbent products and the methods for testing them, with the aim of promoting widespread use of such pulp. We believe the establishment of this JIS will objectively ensure the quality and safety of recycled pulp, helping promote the recycling of disposable diapers and effective use of recycled pulp, and thereby contributing to the realization of a recycling-oriented society.

In the early days of the COVID-19 pandemic, there was a lack of official standards for face masks as a variety of products filled the market in response to surging demand. To address this, we contributed to the formulation of JIS T 9001:2021, a standard for performance requirements and testing methods of face masks to ensure their safety and reliability.

These have since evolved into international standardization efforts, which we believe will play a meaningful role in realizing a recycling-oriented society and controlling and preventing infectious diseases worldwide.

* JIS Z 8002:2006 (Standardization and related activities—General vocabulary) defines standardization as “the act of establishing provisions for common and repeated use, aimed at achieving the optimum degree of order in a given context concerning actual or potential issues.”

Human Rights

Respect for Human Rights

2-24,407-1,408-1,409-1,410-1

Our Basic Approach and Strategy

Since its establishment in 1961, Unicharm has taken appropriate measures to promote respect for human rights based on its “spirit of respecting humanity and dignity” as stated in its management policy. With the expansion of business into countries and regions outside of Japan, we determined that we must promote activities based on international human rights standards. In fiscal 2017, we established the Unicharm Group Policy on Human Rights, which aligns with the aims of the Universal Declaration of Human Rights (adopted in 1948 by the United Nations General Assembly). This human rights policy states that we strive to practice respect for human rights in all of our business activities and has been incorporated into the Unicharm Group Charter of Actions to instill this belief in all Group employees.

Furthermore, to contribute to the economic growth of the countries and regions in which we operate, we actively create employment in various fields and procure raw materials from local suppliers based on the principle of local production for local consumption. In view of this, the Unicharm Group CSR Procurement Guidelines, which were upgraded to the Basic Policy of Procurement in fiscal 2017, and the Unicharm Group Sustainable Procurement Guidelines were formulated and implemented in fiscal 2009 and fiscal 2017, respectively, for the purpose of maintaining fair and impartial relationships with all our suppliers.

The Basic Policy of Procurement applies to all executives and employees of the Unicharm Group. We also encourage our business partners and suppliers to uphold and comply with this policy and to work together to promote human rights initiatives. Through these and other measures, we not only eliminate forced and child labor and ensure respect for children’s rights, but also prohibit discrimination on the basis of nationality, race, religion, gender, sexual preference, age, family background, disability, or

any other factors. We also ensure that Unicharm employees have the right to freedom of association, collective bargaining,

minimum wage, and that they are not subjected to excessive working hours.

► Unicharm Group Policy on Human Rights

2-23

The corporate brand essence of “Love Your Possibilities” at the Unicharm Group (the Group) incorporates our hope that “Unicharm aims to provide all people, from new-borns to the elderly, with products and services that provide mental and physical support through gentle care so that they may be free of their burdens and can fulfill their dreams.” In accordance with this commitment, the Group supports the realization of a society where human rights are respected as a fundamental right granted to all people. Based on this assumption, the Group will make efforts to fulfill its responsibility to respect human rights.

1. Background

The Group established the Unicharm Group Policy on Human Rights (the Policy) by which it will promote efforts to respect the human rights of all stakeholders, including employees based on the following international human rights principles: the International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights), the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the UN Global Compact, and the UN Guiding Principles on Business and Human Rights. The Policy complements the corporate philosophy and Unicharm Group Charter of Actions (The Unicharm Way), clarifying how the Group will address matters concerning human rights in the Charter of Actions.

2. Scope of Application

The Policy will apply to all executives and employees who work at the Group. The Group will also require its business partners and suppliers to uphold and comply with the Policy and work together with the Group promote efforts to respect human rights.

3. Responsibility to Respect Human Rights

The Group will fulfill its responsibility of respecting human rights by ensuring that its business activities do not result in human rights violations and by responding appropriately to correct any adverse human rights impacts it may have caused. Furthermore, the Group will require its business partners and suppliers to respond appropriately to correct any adverse human rights impact they may have caused.

Compliance with Applicable Laws and Regulations

The Group will comply with the laws and regulations of each country and region where it conducts its business activities. Where there is a conflict between national or regional laws/regulations and international human rights standards, the Group will seek ways to honor international human rights standards.

Human Rights Due Diligence

The Group will establish a system of human rights due diligence in accordance with procedures based on the UN Guiding Principles on Business and Human Rights under which it will make efforts to prevent or mitigate adverse human rights impacts.

Remedy

In the event the Group’s business activities directly or indirectly result in adverse human rights impacts, it will provide a remedy through appropriate dialogue and procedures.

Education

The Group will provide appropriate education to ensure effective implementation of the Policy by which it will be instilled inside and outside the Company.

Dialogue and Consultation

The Group will engage sincerely in meaningful consultation with people whom its business activities may have impacted as a part of its efforts under the Policy.

Reports

The Group reports on its efforts related to human rights through its website, among other means.

Date of Establishment: October 25, 2017

Revised: February 10, 2021

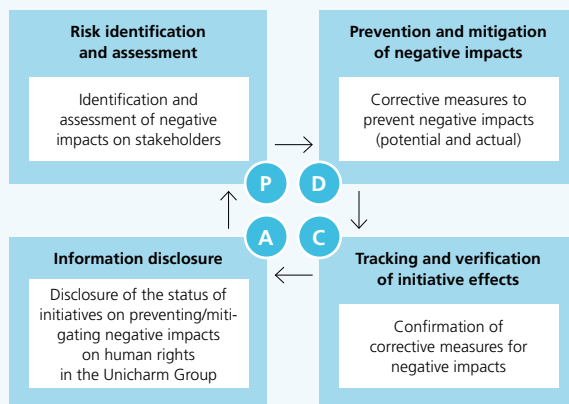
Takahisa Takahara
President & CEO

Unicharm Corporation

► Human Rights Due Diligence Process

Unicharm Group Policy on Human Rights

Human Rights Due Diligence Process



Core Evaluation Items for Managing Labor Issues

- Prohibition of child labor
- Prohibition of forced labor
- Mechanisms for employee representatives to be involved in company management
- Reduction of excessive working hours
- Support for living wages

Respect for Children's Rights

The Unicharm Group Charter of Actions stipulates that the Group does not tolerate any form of child labor. Meanwhile, with respect to our suppliers, the Unicharm Group Sustainable Procurement Guidelines specify that the Group forbids the employment of children under the minimum employment age, as a part of the measures it takes to prohibit child labor throughout the supply chain. By virtue of our products and services, we work to help improve childcare, create an environment that is conducive to balancing work and childcare, and share information that will prove beneficial to the children who will help lead the next generation.

In December 2021, Unicharm also participated in Children's Smile Movement, an initiative held by the Tokyo Metropolitan Government to foster a spirit of caring for children throughout society.

P.106 Unicharm Group Sustainable Procurement Guidelines

P.104 Prohibition of Child and Forced Labor

P.68 Hands-Free Commute: A Subscription-Based Model for Disposable Diapers

Participation in the Kodomo-Mannaka Child Support Program

In July 2023, Unicharm endorsed the aims of the Kodomo-Mannaka ("child-centered") Declaration, which aims to realize a society in which children can grow in a healthy and happy environment by constantly considering what is best for them. The Kodomo-Mannaka Child Support program is an initiative that encourages people to share their own child-centered activities using social media.



Participation in My Declaration of Human Rights Program

In fiscal 2021, Unicharm became a signatory to My Declaration of Human Rights, a program endorsed by the Human Rights Bureau of the Ministry of Justice in Japan. This initiative aims to realize a society in which human rights are respected by everyone through declarations by companies, organizations, and individuals to act on behalf of human rights. Guided by our commitment to the "spirit of respecting humanity and dignity" as stated in our management policy since our founding, we will continue to strive to realize an environment where employees from diverse backgrounds are able to demonstrate their leadership and creativity.

The Unicharm Group's "My Declaration of Human Rights"

In keeping with the Unicharm Group Policy on Human Rights, we will realize a cohesive society (social inclusion). The Unicharm Group stands behind the realization of a society where human rights are respected as a fundamental right granted to all people.



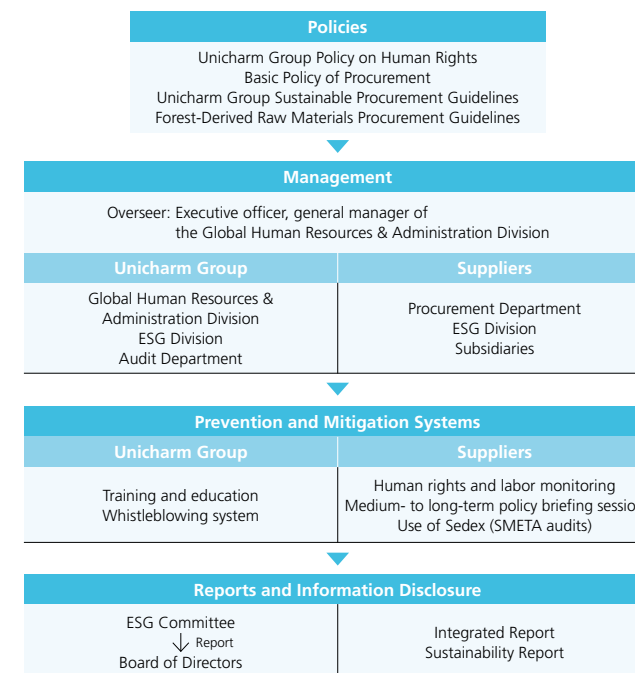
Management Structure

Since it is necessary to have a variety of departments involved in human rights, the Global Human Resources & Administration Division and the ESG Division take the lead, under the direction of the general manager of the Global Human Resources & Administration Division who is the executive-level officer assigned responsibility for human rights, in collaborating with the relevant departments that handle purchasing and auditing and Group companies inside and outside Japan and in reporting through the ESG Committee. In terms of our human rights initiatives for suppliers, which are led by the Procurement Department, the Basic Policy of Procurement and the Unicharm Group Sustainable Procurement Guidelines are distributed to our suppliers in an effort to promote compliance.

P.8 Sustainability Promotion System

P.107 Sustainable Procurement > Management Structure

► Overview of Human Rights Initiatives



Indicators and Targets

▶ Kyo-sei Life Vision 2035: Safeguarding the Well-Being of Society

Indicator	Target	Target Year
No. of serious human rights violations in the value chain	Zero	Every year

Initiatives and Results

Consultation and Whistleblowing Contact Points for Human Rights Issues

At Unicharm, the Compliance Hotline has been established as a consultation and whistleblowing contact point for the reporting of violations of laws, regulations, and internal rules; acts of bribery and other forms of corruption; and serious violations of corporate ethics. Meanwhile, the Ring-Ring Employee Hotline was established to act as a contact point for consultations on and the reporting of workplace issues, including harassment and employee relations. These hotlines, in principle, are accessible to all directors and employees*¹ of Unicharm Corporation and its subsidiaries and affiliate companies, and users are able to maintain anonymity when receiving consultation and reporting on matters. In fiscal 2025, there were no cases of serious human rights violations reported to these hotlines.

*¹ Includes contract, part-time, temporary, and dispatched employees, as well as former employees who resigned within a year

P.130 Whistleblowing System

Human Rights Education for Unicharm Group Employees

Employees are provided with education and training so that each person will acquire proper knowledge on human rights and the prevention of human rights risks. Upon the establishment of the Unicharm Group Policy on Human Rights, we held e-learning sessions for all employees on three separate occasions in fiscal 2018 in order to promote awareness of the importance of respecting human rights around the world. The Unicharm Group Charter of Actions, amended in fiscal 2021, is recited regularly at morning

assemblies and other gatherings. In addition, we continue to educate employees and enhance awareness of our human rights policy through our new employee, role-based, and new leader training sessions. Role-based training consists of a curriculum through which employees learn about harassment and other issues that are likely to occur in the workplace and the appropriate measures to take in the event of a human rights issue.

In fiscal 2025, Unicharm Corporation held a Harassment Prevention Awareness Workshop for all employees. After completing their individual e-learning sessions, employees engaged in discussions within scrums by section or group to deepen understanding of potential workplace harassment issues and enhance effectiveness of countermeasures. In addition, we continue to provide human rights education on topics such as maternity and paternity harassment prevention and unconscious bias. Through these initiatives, Unicharm encourages all of its employees to act appropriately and strives to create a workplace environment where everyone can work with peace of mind.

Furthermore, Unicharm's local subsidiary in the United States actively promotes the principle of equal opportunity based on a policy of providing equal employment opportunities to all potential and existing employees without discrimination, regardless of race, color, religion, gender, age, nationality, sexual orientation, gender identity, disability, protected veteran status, or any other legally protected characteristics. In line with this commitment, all members of the recruitment team receive specialized training to ensure that interviews are conducted appropriately according to established rules and that suitable candidates are selected.

P.92 Diversity and Inclusion

P.131 Harassment Prevention

Human Rights Awareness of Suppliers

In November 2025, we held the 16th Unicharm Medium- to Long-Term Policy Briefing Session and explained the Unicharm Group Policy on Human Rights and the Unicharm Group Sustainable Procurement Guidelines to 120 suppliers, from whom we requested their support and compliance. In addition, we shared the progress of our use of the Sedex platform with suppliers, encouraged them to become members of Sedex and conclude relationships for the use of this platform, and

requested their cooperation on the Self-Assessment Questionnaire (SAQ).

P.109 Medium- to Long-Term Policy Briefing Session for Suppliers

Human Rights Initiatives in Australia

In fiscal 2025, Unicharm Australasia Pty Ltd (UcA), our local subsidiary in Australia, endeavored to further strengthen awareness of modern slavery*² risks across its entire supply network and employ even more effective countermeasures. Specifically, UcA expanded risk mapping beyond Tier 1 suppliers,*³ continued to implement systematic human rights and modern slavery training for raw material suppliers and downstream partners, and worked to provide a clearer link between risk assessments and concrete corrective and preventive action.

In line with this approach, prior to the launch of pet food products, we conducted on-site engagement and factory visits with pet food suppliers in Thailand. Moreover, we continue to ensure supplier compliance with our ethical procurement policies while incorporating due diligence insights gained through audits, certifications, and external feedback into our governance and ESG frameworks.

These initiatives, along with the details of UcA's supply network structure, identified risk areas, and monitoring and training measures aimed at preventing, identifying, and addressing modern slavery risks, are systematically disclosed in Modern Slavery Statement 2024.

*² Forms or acts of bonded labor, forced labor, human trafficking, etc., in which people are forced into slavery and servitude

*³ Primary suppliers that provide goods and services directly to the manufacturer of the final product

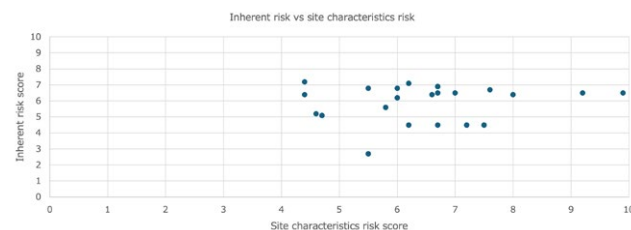
web Unicharm Australasia Pty Ltd
Modern Slavery Statement 2024

<https://modernslaveryregister.gov.au/statements/23728/>

Human Rights Risk Assessment at Unicharm Group Factories

In fiscal 2025, the Sedex*1 SAQ was conducted and these results were used along with Sedex's risk assessment tool to calculate a risk score. The risk score is determined by calculating an inherent risk score based on each factory's country and region of operation and line of business and a site characteristics risk score based on the SAQ results. These scores are used as a reference to conduct an even more in-depth analysis of high-risk factories and formulate other risk mitigation measures.

Risk Score of Unicharm Group Factories



Note: Simple averages of risk scores on labor standards and on safety and health have been plotted above.

*1 A global membership organization leading in responsible sourcing practices, Sedex provides companies with technology and insight to build a responsible business and supply chain, including the world's largest platform for sharing supply chain data on labor standards, health and safety, the environment, and business ethics. Over 95,000 business members in 180 countries and regions use Sedex solutions to manage supply chain risk, meet compliance requirements, and demonstrate measurable impact.

Human Rights Risk Assessments of Supplier Factories

P.107 Human Rights Risk Assessments of Supplier Factories

Audits of Unicharm Group Factories

A social compliance audit is carried out periodically at Unicharm factories through an external auditing firm to assess the effects of risk elimination and mitigation measures and make improvements on any non-compliances identified. Specifically, we utilize the Sedex Members Ethical Trade Audit (SMETA)*2 to identify

such non-compliances, which are compiled and shared internally by the ESG Department. These non-compliances are confirmed and then inspected and reviewed at each factory, preventing the occurrence of human rights violations in the process.

*2 A social auditing methodology developed by Sedex that enables businesses to assess their sites and suppliers to understand working conditions in their supply chain across the areas of labor standards, health and safety, the environment, and business ethics

Audits of Unicharm Group Factories: No. of Audits and Evaluations

		Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results
No. of audits		4	9	7
No. of non-compliances identified	Business Critical	0	0	0
	Critical	10	23	13
	Major	19	30	29
	Minor	14	19	15
Total		43	72	57

Audits of Supplier Factories

P.108 Supplier Monitoring

Establishing KPIs and Collecting Relevant Data

In 2021, Unicharm established a system that enables the ESG Division to use SAQ to collect data for key performance indicators (KPIs) such as employee absentee rates and employee turnover rates at each factory, as well as to monitor progress made. In fiscal 2025, we provided the results of these analyses to all factories and verified the effects of using such data. We also requested the planning of SMETA audits for fiscal 2026 and beyond.

Stakeholder Engagement for Human Rights

Since human rights issues can affect a wide range of stakeholders, Unicharm approaches its engagement in various ways.

Fiscal Year	Initiatives	Results
2022	- Participated in forums on business and human rights and human rights due diligence held by the United Nations Development Programme (UNDP) - Participated in subcommittee activities of Global Compact Network Japan (GCNJ) - Held discussions on human rights risk assessment through the ESG Committee	Compiled information on recent developments in Japan and the rest of the world and on initiatives carried out by other companies; conducted risk analysis internally and held discussions on how management decisions should be made within ESG Committee
2023	- Participated in seminar on business and human rights and dialogue on human rights due diligence held by the UNDP - Participated in subcommittee activities of GCNJ - Participated in Japanese Cosmetics & Personal Care Products Industry Buyer Members Sedex Working Team - Explained the Company's human rights policy to 143 supplier companies at the 14th Unicharm Medium- to Long-Term Policy Briefing Session	Compiled examples of best practices in other industries and expert opinions and information to determine direction of the Company's human rights initiatives
2024	- Participated in seminar on business and human rights held by the UNDP - Participated in Japanese Cosmetics & Personal Care Products Industry Buyer Members Sedex Working Team - Participated in the Australian Food & Grocery Council Sustainability Summit - Explained the Company's human rights policy to 283 representatives of 133 supplier companies at the 15th Unicharm Medium- to Long-Term Policy Briefing Session - Cooperated with ASEAN-Australia Counter Trafficking to support human rights education of ASEAN countries - Held workshop on business and human rights through a law firm	Discussed measures to enhance awareness and literacy of human rights in the Company by collecting latest information and details of other companies' efforts and in Australia expanded activities to support human rights education externally
2025	- Participated in UNDP's fourth annual forum on business and human rights and dialogue on human rights due diligence - Participated in a seminar on climate change and human rights, jointly organized by GCNJ and the Japan Climate Initiative (JCI). - Participated in Japanese Cosmetics & Personal Care Products Industry Buyer Members Sedex Working Team - Explained the Company's human rights policy to 353 representatives of 120 supplier companies at the 16th Unicharm Medium- to Long-Term Policy Briefing Session	- Collected latest information on human rights issues and initiatives, including best practices from other companies - Re-shared human rights policy with suppliers and requested thorough compliance

Human Resources

Development and Utilization of Human Resources

404-1,404-2,404-3

Our Basic Approach and Strategy

The Unicharm Group maintains a basic policy on human resource development and utilization to pursue three aspects of wealth for each employee: aspirational wealth, economic wealth, and spiritual and physical wealth. We believe that fostering a good balance between each of these types of wealth is of vital importance.

In terms of aspirational wealth, we encourage aspirations of contributing to society as a whole through work by seeing things from a higher perspective and developing a broader outlook. Specifically, we help foster such aspirations by allowing each employee to formulate their own career development using My Career Vision & Career Plan, a framework unique to Unicharm. When forming their plan, employees reflect on their own values and what matters to them most. Based on this reflection, they envision where they would like to be in 10 and three years' time, and divide their vision into a life vision and a career vision. They then devise a life and career plan accordingly to realize these visions. Each employee's My Career Vision & Career Plan is incorporated into the data of KYOSHIN, a human resource development platform that we have operated since fiscal 2021. This data is used to enhance education and training programs to support individual self-actualization.

With regard to economic wealth, we maintain a consistently industry-leading compensation system, ensuring that employees receive remuneration commensurate with their contributions and demonstrated skills, regardless of age or tenure. In this way, we continuously strive to foster and strengthen employee engagement.

With respect to spiritual and physical wealth, we implement a variety of measures to ensure that our employees maintain good health. These include annual health checkups, mental health training, stress checks to monitor employee stress levels, and other measures to provide an environment where they can work in good health, both mentally and physically, and with peace of mind.

These efforts strengthen human capital, as we strive to create a rewarding workplace where each employee can utilize their individual strengths to the fullest. In so doing, we aim to create a virtuous cycle in which the achievement of business results leads to greater opportunities for employee growth.

Selection for Human Capital Management Quality 2025 Silver Award

Unicharm was selected for the Human Capital Management Quality 2025 Silver Award from among 160 companies that responded to Human Capital Survey 2025. This award is in recognition of our continued efforts to strengthen human capital investment by linking our unique management method, management with resonance, with a human resource strategy that pursues three aspects of wealth: aspirational wealth, economic wealth, and spiritual and physical wealth.

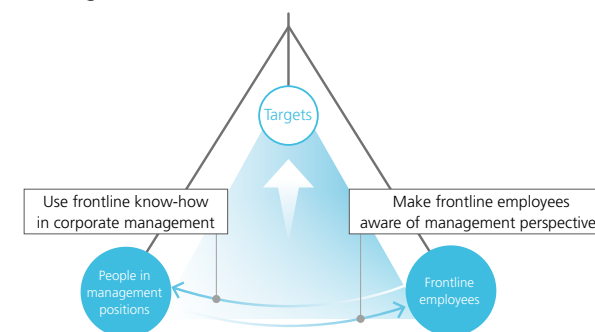


Management with Resonance: Unicharm's Unique Management Method

Unicharm has developed a unique management method in which the industriousness of each and every employee becomes the epicenter of change, increasing the resonance of individuals who work together to effect change across the entire Company and allow each employee to realize their vision. We call this business practice and creation of such corporate culture "management with resonance."

By practicing management with resonance, management can get firsthand information from the front lines in an honest, timely, and frequent manner while employees can learn management perspectives, viewpoints, and time frames through dialogue with management. By developing mutual understanding and firmly working toward a shared goal, management and employees foster a sense of unity that offers both challenges and comfort. The resonance we envision is like a pendulum, one in which daily ingenuity and know-how swing back and forth between management and employees.

Management with Resonance

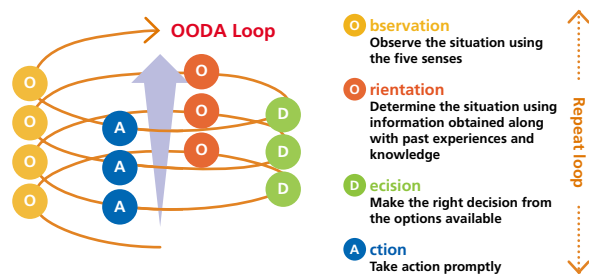


Operation of the OODA Loop Methodology

Since fiscal 2003, Unicharm has operated the Schedule–Action–Performance–Schedule (SAPS) management model through which each employee thinks and acts on their own initiative to achieve goals by actively operating a PDCA cycle, enhancing the strengths of both employees and the organization. However, it became necessary to establish a model that adapts to today's ever-changing business environment more flexibly and swiftly than ever. Recognizing this need, we evolved the SAPS management model into the Observation–Orientation–Decision–Action (OODA) Loop methodology in fiscal 2019.

With the OODA Loop methodology, we quickly grasp unexpected changes by observing current business conditions and appropriately orient ourselves to the situation and reach a decision, and then quickly take action. This cycle is repeated while constantly reviewing approaches and continuously making fundamental changes. Using the OODA Loop methodology, we nurture employees who can autonomously take action based on quick and appropriate situational judgment and decision-making in response to changes in the business environment.

► Philosophy of the OODA Loop Methodology



Establish a mechanism where we constantly review approaches and make fundamental changes

Relationship Between Management Strategy and Human Resource Strategy

Unicharm defines business results as the product of strategic planning and strategy execution capabilities. Under the 13th Medium-Term Management Plan, we regard strategy as a dependent variable of organizational capabilities and are promoting structural reforms that redefine the evolution of capabilities as a key management priority.

The mission of our Human Resources Division is to develop the people and organizations that execute these strategies. First, to strengthen strategic planning capability, we transitioned to an SBU*¹ system to promote autonomous frontline management. In the process where each employee formulates an OGISM (A) table*² every six months, we actively utilize generative AI as a management resource, alongside our established practices, The Unicharm Way. By fully adopting generative AI not only as a tool but a thinking partner that accelerates value creation, we have dramatically enhanced the precision and speed of planning.

To strengthen strategic execution capability, we are building a human resource framework that executes strategies by adapting quickly to environmental changes, with the aim of developing 200 next-generation management leaders who will help take our business to new heights toward 2030. We will create job descriptions for key positions globally and visualize each individual's latent abilities and hidden talents by utilizing our KYOSHIN human resource development platform in combination with generative AI. Through this approach, we will leverage our 4B Strategy—Buy (recruitment), Build (development), Borrow (temporary acquisition), and Bot (automation)—to ensure that the right people are placed in the right positions and at the right time and quantity, both internally and externally. At the same time, we are evolving headquarters functions into management strategists responsible for both proposals and execution.

By closely linking this series of transformations with Unicharm's corporate culture of Best Practiceship, Ownership, and Partnership (BOP-Ship), we will provide an environment conducive to the embodiment of self-directed careers that serve as a foundation for lifelong growth, thereby strongly synchronizing the discovery of individual potential with the Company's growth. By evolving into an organization that is unafraid of change and continuously

operating the OODA Loop methodology at high speed, Unicharm will build a robust foundation toward achieving its 2030 goals of becoming the world's No. 1 company from both a relative and absolute perspective and realizing a cohesive society.

*1 Strategic business unit: A strategic unit within a company that formulates and executes its own business strategies and plans

*2 A format that compiles the necessary components of planning by streamlining them in the following order: Objectives (targets to be achieved within the period)—Goals (numerical targets)—Issues—Strategies—Measures (determination criteria)—Action Plan

P.4 The Unicharm Way

P.86 Introduction of Job Descriptions and Skills Inventories to Maximize Human Capital

Management Structure

The Company's human resource development is headed by the president & CEO, and is led by the Global Human Resources & Administration Division, with the basic principle of "developing 'resonant personnel' who embody BOP-Ship all over the world." Our human resource development plan is approved through periodic reporting to management, including directors and executive officers, and the implementation status and effectiveness thereof are also reported regularly. In addition, our human resource development strategies and measures are deployed across the Group, in conjunction with the human resource managers of relevant divisions and the human resources departments of Group companies and affiliates.

Indicators and Targets

► Kyo-sei Life Vision 2035: Unicharm Principles

Indicator	Target	Target Year
Percentage of positive answers received for the "Growth Through Work" section of the employee awareness survey	90% or more	2035

► Introduction of Job Descriptions and Skills Inventories to Maximize Human Capital

We believe maximizing organizational capability by placing skilled personnel in the right positions is key to realizing our medium-term management plan. Accordingly, we are creating an environment in which each employee can perform to the best of their abilities by visualizing and developing their own skills with an understanding of the improvements that need to be made. As the basis of this approach, we have introduced a system for job descriptions, skills inventories, and skills assessment.

- **Job Descriptions**
Documents that clearly define the expected role for each position, including mission, responsibilities, and required knowledge and experience
- **Skills Inventories**
Definitions of the specific abilities required to perform each role
- **Skills Assessment**
A five-point scale assessment of the proficiency of each current role. Self-assessments and evaluations by development managers (supervisors) are conducted to objectively visualize discrepancies with expected roles.

Achievements and Key Initiatives (Fiscal 2025)

In fiscal 2025, we established job descriptions and skills inventories in 19 departments in Japan and conducted skills assessments of approximately 1,400 employees. Based on the skills assessment results, skills gap analyses were carried out to identify core skills within each department. Department-specific training programs were also held to address these gaps and provide opportunities for skills development. To support autonomous career development, we launched the website "My Career Story," which aggregates information useful for developing individual career vision and action plans. These tools are utilized to encourage employees to take ownership of their career development.

Furthermore, for 12 overseas subsidiaries, in fiscal 2025 we began introducing the same job descriptions and skills inventories used by our departments in Japan for certain job categories and implementing an assessment system, promoting global efforts to develop talent and visualize their skills.

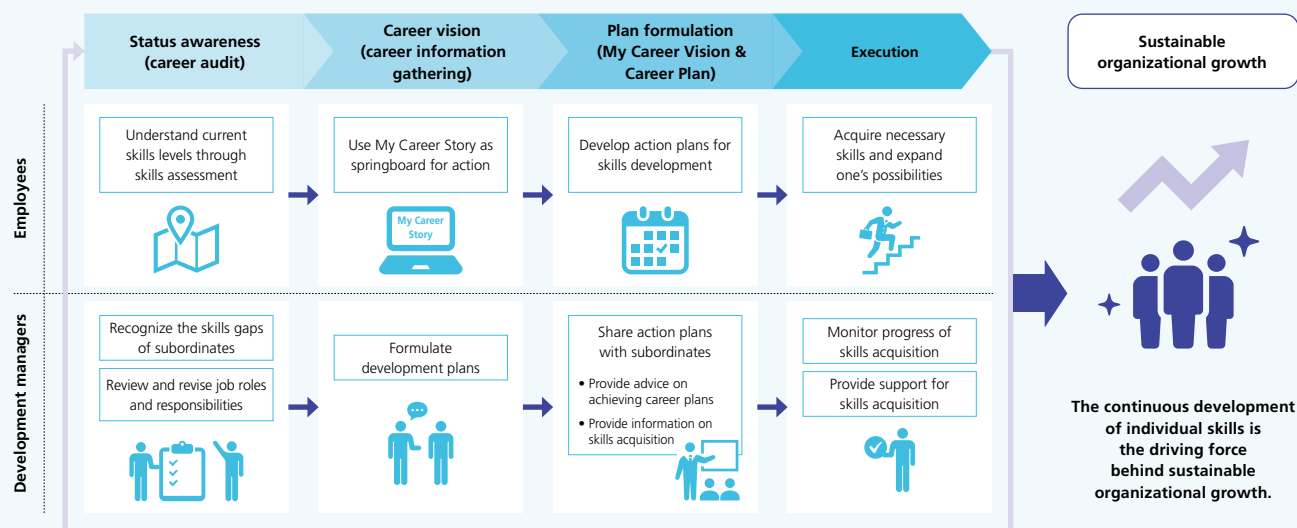
Connecting Individual Growth to the Organization's Sustainable Growth

At Unicharm, we operate a cycle consisting of the following four steps to encourage employees to proactively develop skills.

- **Status awareness (career review)**
Recognize gap between required job skills and one's abilities through skills assessment
- **Career vision (career information gathering)**
Consider one's career path using resources such as My Career Story
- **Plan formulation (My Career Vision & Career Plan)**
Determine concrete action plan for skills development
- **Execution**
Proactively acquire skills and put them into practice

Outlook

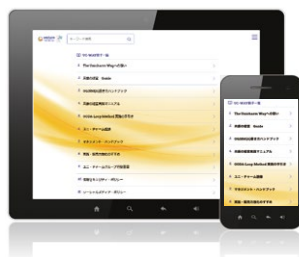
We review these systems annually to flexibly respond to changes in the environment. By continuously refining individual strengths and expertise and building a system through which individuals can demonstrate value in their areas of strength, we aim to heighten the human capital underpinning our medium- to long-term business growth and foster the growth of each employee.



Initiatives and Results

A Human Resource Development Program Inspired by The Unicharm Way

The Unicharm Way, a compilation of the values, action guidelines, and important statements from management to be shared throughout the Group, is embraced by all of our employees worldwide. We promote management with resonance by ensuring that The Unicharm Way is practiced by employees in their day-to-day business activities. Previously available only in booklet form, since fiscal 2021 this statement of corporate ideals has been accessible through a company smartphone app offered in nine languages, including English and Japanese, enabling employees around the world to immerse themselves in The Unicharm Way at any place and time.



Unicharm Way Session 2025 (India)

For the first time in five years, in March 2025, Unicharm's local subsidiary in India held a corporate event called Unicharm Way Session 2025, in which a total of 725 employees participated. At the event, participants shared key strategies for fiscal 2025, and an awards ceremony and networking activities were held to strengthen employee unity. In light of the changing market environment, the event served as an opportunity for participants to share views on maintaining a healthy sense of crisis and coming together to achieve their goals.

KYOSHIN Human Resource Development Platform

At Unicharm, we believe appropriate on-site guidance from supervisors is essential to the development of employees. To provide such guidance, supervisors must be able to visualize information on their subordinates. To strengthen supervisors' ability to provide guidance and the visualization of human resource information across the Group, in fiscal 2020 Unicharm began implementing KYOSHIN, a human resource development platform focused on strengthening talent management that is utilized at 17 local subsidiaries including Japan as of March 31, 2025. KYOSHIN features various functions, including employee profiles, performance goals and assessments, career plans and vision, and e-learning. For example, in performance goals and assessments, employee goals are entered into KYOSHIN every six months, which are approved by a supervisor upon confirming details via interview. At quarterly interviews thereafter, supervisors confirm the progress of these goals and provide feedback. In this way, KYOSHIN has enhanced the frequency and quality of communication between supervisors and employees and strengthened our human resource development capabilities.

My Career Vision & Career Plan

Unicharm has introduced a system called My Career Vision & Career Plan in which each year employees create their own career vision and career plan and receive career-related advice and support from their supervisor toward the realization of their personal goals. We encourage employees to envision where they want to be in 10 and three years, backtrack from there and think proactively about the skills and experience they need to gain now, and take action.

Program for Realizing the Career Visions of Young Employees

Unicharm Corporation has an in-house internship program in place to enable young employees to gain a deep understanding of the duties and responsibilities involved in the departments they hope to be transferred to and reconsider the required skills and background by allowing them to directly experience working in these positions. We have also introduced a career challenge program that facilitates personal development and the achievement of career plans by enabling employees to voluntarily request transfers to their desired positions.

Employees check the type of human resources necessary in each department through the company intranet and outline their goals and objectives for the transfer based on their My Career Vision & Career Plan. They can then apply for these positions after taking stock of the skills and knowledge required.

These programs are intended to encourage each employee to autonomously take action and develop their own career plan so that the Group as a whole continues to grow through efforts to invigorate employees.

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
No. of employees participating in the in-house internship program	28	28	26	Unicharm Corporation
No. of employees participating in the career challenge program	25	25	23	

Career Navigator Program

At Unicharm Corporation, employees known as "career navigators" work closely and communicate with prospective hires, enabling them to gain a strong understanding of the Company by navigating a path toward their first day on the job. By supporting these prospective hires, employees who take on the role of career navigator are also likely to gain a deeper understanding of the Company, in addition to enhancing their various knowledge and skills. They also receive an allowance of ¥10,000 per month for their role in the program.

Brothers & Sisters Program

Unicharm Corporation operates the Brothers & Sisters Program, in which new graduate employees receive one-on-one support from senior employees known as “brothers” and “sisters” for three years, while mid-career hires receive the same support for one year. By designating a senior employee of relatively similar age, this program enables employees to comfortably discuss their concerns with senior employees. Serving as a “brother” or “sister” also allows senior employees to grow personally and professionally by gaining new insight through contributions to the growth of their subordinates. Since fiscal 2023, an allowance of ¥15,000 per month is provided to each brother and sister for their role in the program.

The Unicharm Awards

The Unicharm Awards are held once a year as a means for all employees to recognize those employees and teams that achieved remarkable results by practicing management with resonance and applying on-site know-how to management. Held via video conferencing with business sites around the world, the Unicharm Awards serve as a venue for both the presenters and the audience to learn from each other by enabling them to benchmark the presentations of the teams representing various countries and regions and gain specific knowledge.

In fiscal 2025, presentations were made by 16 representative teams, with the All Japan United to Improve Baby Care Revenue Project team taking home the Gold Prize, the awards’ highest honor.

Global OODA Caravan

Unicharm has held the Global OODA Caravan since fiscal 2022 to create opportunities for the president & CEO and employees working on the front lines to share their views through face-to-face dialogue. To increase employees’ motivation to achieve our goal of becoming No. 1 in the world by 2030, we explain how they will each contribute to this goal through their assigned tasks and share the inspiration behind this plan with all participants. In fiscal 2025, the Global OODA Caravan was held at Unicharm’s local subsidiaries in South Korea, as well as our head office, Itami Factory, and Shizuoka Factory in Japan. Over the four years from fiscal 2022 to fiscal 2025, this program has been held 24 times in 14 countries and regions, with the participation of more than 800 employees.

Scrum Leader On-the-Job Training (OJT) Workshop

At Unicharm, we use the term “scrum” to describe the smallest organizational unit, such as a section or a group. Section managers and group managers who serve as scrum leaders play a pivotal role in developing resonant personnel by helping scrum members achieve their goals and enhance productivity. Furthermore, we aim to create an environment where not only scrum members but also leaders can grow together through daily on-the-job training (OJT). As part of this effort, we have held the Scrum Leader OJT Workshop in Japan since fiscal 2022. In fiscal 2025, the program was attended by 59 scrum leaders. In this workshop, leaders gain the know-how to simultaneously achieve strategy execution and human resource development.

Strengthening Employee Engagement Through Reading Session of Integrated Report

At Unicharm, we regard each employee as an important stakeholder and, in view of this, we have held the Reading Session of Integrated Report in scrums throughout the Group every year since fiscal 2021. By ensuring awareness of our specific initiatives for realizing a cohesive society among each employee, we believe we will enhance motivation, improve strategy implementation capabilities, and accelerate the achievement of business results and the development of human resources.

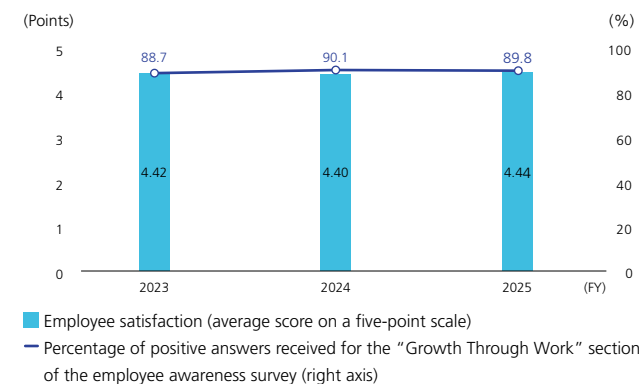
	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result
Percentage of implementation of “Reading Session of Integrated Report” in scrums (%)	100	100	100

Employee Awareness Survey

Aiming to establish a virtuous cycle in which employees develop through their work, in turn leading to the growth of our business, we conduct an employee awareness survey once a year at all Group companies to verify employee satisfaction, fulfillment, and attitudes toward work. The evaluation criteria are translated into eight languages to enable employees in countries and regions outside of Japan to respond. By conducting it on a yearly basis, the survey not only serves to invigorate employees and organizational reforms, but is also used as a reference when considering various personnel and management initiatives. As an example, the percentage of positive responses for the “Growth Through Work” section of the employee awareness survey was 89.8% in fiscal 2025.

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Fiscal 2026 Targets	Coverage
Percentage of employees who responded to the employee awareness survey (%)	100	100	100	100	Unicharm Group
Percentage of positive answers received for the “Growth Through Work” section of the employee awareness survey (%)	88.7	90.1	89.8	92.5	
Average score on a five-point scale for the level of satisfaction section of the employee awareness survey	4.42	4.40	4.44	4.50	

Results of Employee Awareness Survey



Skills Development and Career Planning Support Programs

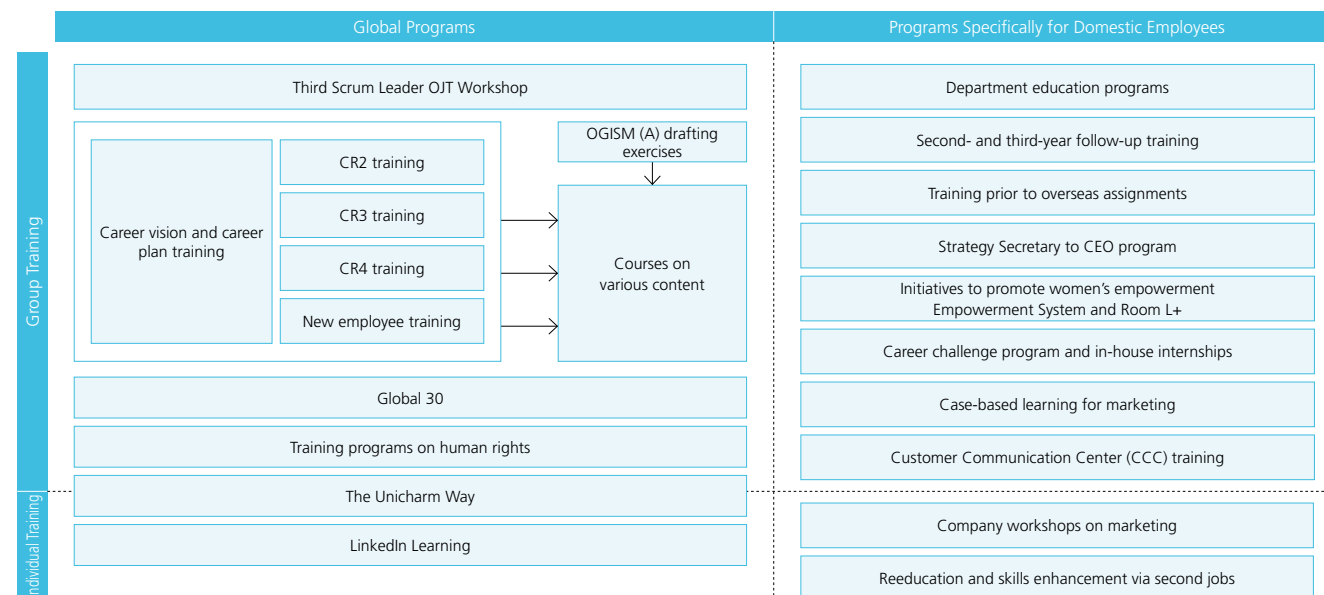
The growth of our employees is essential to the growth of the Company. Accordingly, we are expanding our training and education programs so that each employee continues to learn and pursue their career vision.

Unicharm Corporation's training programs include training according to levels and roles and mandatory professional development training, as well as training toward career advancement through self-directed learning and leader development training. We foster a corporate culture of continuous growth not only by making the most of our mandatory training programs but also through a culture of self-directed learning.

► Time and Costs Allocated to Employee Skills Development Training

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
Total training hours allocated to employee skills development training	50,503	68,067	45,204	Unicharm Corporation
Total training costs allocated to employee skills development training (ten thousand yen)	7,531	10,019	7,817	
Training days per employee	3.5	4.8	3.2	
Training hours per employee	28	38	25	
Training cost per employee (yen)	42,119	56,349	43,967	

► Skills Development and Career Planning Support Programs (Fiscal 2025)



CR (Competency Ranking): Internal qualification standard

► Our Distinctive Skills Development Training Programs (Excerpt)

Title	Target	Summary	No. of Participants in Fiscal 2025
Training for newly hired employees	New employees	Deepening understanding of the Unicharm Spirit while learning about the Company's history and nurturing a customer-oriented mindset; creating My Career Vision & Career Plan based on a vision of youth leadership	61
Second-year follow-up training	Second-year employees	Looking back on their path of entering the Company, undergoing training and being assigned to a specific department in their first year with Unicharm, reviewing their own issues with the actual work, and understanding the mindset, behavior, and approach expected of second-year employees; recognizing their own issues as well as their root causes and deciding on a specific action plan to overcome them	57
Third-year follow-up training	Third-year employees	Looking back on their first two years as a Unicharm employee, reviewing their current mindset and skills, and understanding the roles, mindsets, actions, and approaches required for employees in their third year and translating them into an action plan; evolving My Career Vision & Career Plan for linking the growth of each individual and that of the Company	57
CR-based training, training according to roles	Qualified employees and employees who correspond to these roles	Training in line with their respective levels and roles based on building their understanding of Unicharm's OODA Loop methodology, improving their practical skills, and providing opportunities and occasions to enhance their ability to think and take action; creating My Career Vision & Career Plan based on their thoughts on the leadership vision and their self-evaluations; education on harassment using specific examples and discussing prevention and solutions for various scenarios	205
E-learning for new leaders in charge of personnel development	New leaders in charge of personnel development	Training including practical methods for developing leadership, as the most important responsibility for such persons is the development of personnel; also motivating subordinates, creating a good workplace, and preventing harassment	43
Training prior to overseas assignments	Employees posted overseas	Developing and fostering independent professionalism, higher-level leadership for instructing subordinates, and the mindset of being a CEO of a small- to medium-sized enterprise or that of a department head, in consideration of the high level of responsibility during overseas assignments, so that expatriate employees can deliver results as soon as they begin their overseas assignment; the training program also thoroughly prepares assignees in terms of compliance and governance and helps them to understand cross-cultural management, as well as methods of crisis management to avoid potential trouble in their new positions	29

Reskilling

In a VUCA (volatile, uncertain, complex, and ambiguous) world marked by drastic changes to both our business and the environment thereof, keeping up to date with the latest information has become more important than ever to creating new value. To enable each employee to advance their careers by studying at their own pace without being bound by time or location, an online learning platform, LinkedIn Learning, was introduced in Japan and 11 overseas subsidiaries. Additionally, we have established a secure internal environment for the use of the generative AI Gemini. Along with distributing learning content in newsletter format each month, we also hold regular Gemini Utilization Workshops at our Management with Resonance Practical Meeting. Furthermore, through our Generative AI Dissemination Project, in which new employees are appointed as project leaders, we increased the use of generative AI in our sales divisions by up to 53%, developing AI-driven work techniques that have led to labor reductions of 16,000 hours per year.

We will continue to provide valuable information to ensure that employees remain deeply committed to their studies and to acquiring new skills and knowledge.

P.69 Use of Gemini Generative AI Models

Second Job System

The Second Job System was introduced in fiscal 2018 to facilitate the further growth of our employees. Most employees have benefited from using this system by acquiring new skills and expertise and expanding their network of contacts.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
No. of employees using the Second Job System	59	73	87	Unicharm Corporation

Revising Our Human Resource System with a Focus on Management with Resonance

In April 2024, Unicharm Corporation revised its human resource system. This revision was made to put management with resonance into practice, in other words, the establishment of an organization in which each employee pursues even higher goals and takes ownership in achieving them based on an understanding of the organization's overall situation. Furthermore, by realizing the three aspects of wealth—aspirational wealth, economic wealth, and spiritual and physical wealth—we aim to improve employee motivation and combine employees' personal growth with the growth of the Company.

(1) Revised Remuneration System (Amended in April 2024)

Unicharm Corporation's remuneration policy is to realize industry-leading compensation and provide rewards based on individual performance and contribution. We revised our remuneration system to provide higher compensation to employees who continue to work hard and achieve results regardless of age or tenure. We believe that compensating employees based on hard work and results, rather than raising base salaries across the board, is fair for everyone.

- Increase of annual salaries: We increased the base salaries of all positions and levels by discontinuing allowances not related to performance or ability and reallocating them to base salaries. We reviewed the annual salary range for each qualification, raising it by an average of 7.3% and a maximum of 37%.
- Revision of starting salaries: We raised base starting salaries by approximately ¥25,000 to encourage new employees to make a difference early in their careers. We will also continue to implement the Adjustable Starting Salary System, which increases the salaries of employees with qualifications, in order to encourage employees to begin developing their skills before joining the Company.
- Revision of annual salaries of employees promoted to management positions: We increased the annual salaries of employees promoted to management positions due to the significance of their roles and responsibilities, and the importance of the position holding the key to human resource development.

(2) Revised Evaluation System (Effective from January 2025)

To enable employees to grow to their full potential, we revised the evaluation system to underline the importance of setting and achieving high goals and continuously improving their skills. Under the previous system, bonuses and promotions were based on overall evaluation. This system was revised so that performance evaluations are reflected in bonuses and competencies* and skills are reflected in promotions, ensuring that employees who meet the qualification requirements are promoted appropriately. Moreover, to promote the development of resonant personnel who think deductively and act on their own initiative and powerfully promote business transformation, we have defined the six competencies required of these personnel.

- Promotions and demotions based on employee competency: Promotions and demotions are based not only on work performance but also on the mindset and actions that lead to this performance and their level of contribution to the organization. By defining the competency requirements and clarifying the evaluation criteria, we will ensure that employees are considered for promotions and demotions in a fair, just, and equitable manner.
- Evaluations based on the will to challenge: To ensure that employees who pursue more advanced and difficult strategies and produce results are recognized for their willingness to take on greater responsibilities, we have established the degree of difficulty of strategies as an evaluation indicator.
- Acquisition of qualifications as a promotion requirement: We have established qualifications as a requirement for promotion to encourage employees to acquire new knowledge and further hone their skills.

To respond to changes in the market environment, we will revise our human resource system in a flexible and prompt manner and continue to embrace the challenge of realizing a cohesive society.

* Behavioral traits commonly seen in high-performing employees

Career Development Evaluations

At Unicharm, our basic policy on personnel evaluations is to integrate the three aspects of human resource development—development, evaluation, and compensation of employees—and to conduct evaluations for the purpose of developing human resources and determine compensation based on those evaluations. In addition, because action is the key to achieving results, we work to consistently link our personnel evaluations and development using the OODA Loop method.

We have introduced a system called My Career Vision & Career Plan in which employees create their own career vision and career plan, share them with their supervisors, and set semi-annual and quarterly goals for their achievement. Supervisors monitor employee progress each quarter and provide support for their career development by adjusting individual trajectories so that employee efforts will lead to good outcomes and successful experiences.

In addition, in fiscal 2023, ESG criteria were incorporated into the performance assessments of all employees with the aim of achieving the SDGs. From fiscal 2026, these evaluation indicators have been revised as new criteria for Kyo-sei Life Vision 2035. By continuously strengthening our system in which individual performance contributes to the creation of social value, we aim to steadily achieve our vision.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
Percentage of employees who regularly receive assessment reviews for career development (%)	100	100	100	Unicharm Corporation

Succession Plan

Unicharm is in the process of establishing a succession plan to develop key strategic positions that are deemed important to executing various strategies and management candidates, among others, who will guide the next generation.

► Succession Plan

- (1) Each executive officer conducts interviews with prospective executive officers on a regular basis based on each candidate's My Career Vision & Career Plan, and the results are used to create and update the human resource skills matrix.
- (2) The president & CEO conducts interviews with each executive officer on a quarterly basis, determines, in an objective manner, the targets to be achieved by the responsible department and each executive officer, evaluates performance, and provides guidance and training. The outside directors also meet with each executive officer at least once a year to confirm the status of and issues related to business execution, offer advice from a broad perspective, help resolve issues, and provide guidance and training so that they gain a higher perspective as a manager.
- (3) The operational status of the above schemes is reported regularly to the Nomination Committee and the Remuneration Committee for discussion and deliberation.
- (4) The Board of Directors nominates candidates for directors and executive officers based on the results of discussions by the Nomination Committee.
- (5) Global 30, a successor development program directly supervised by the president & CEO, was established in 2024 to identify and develop candidates for directors and executive officers over the medium to long term; this program, which had previously been focused on Japan, was expanded to include overseas subsidiaries. Approximately 15 candidates for key positions in Unicharm Group management are selected to take part in experiential training in liberal arts and other fields at our head office approximately six times over a three-year period.
- (6) The Strategy Secretary to CEO program is held for mid-career employees in their 30s, whereby they are transferred to the Business Planning Office to serve as a secretary to the president & CEO for a two-month period to learn about the mindset and behavior of managers.
- (7) The Co-Chief Officer program is held to break down barriers of organizations, implement the Company's key strategies on a cross-divisional basis, and promote the growth of young talent. Executive officers and senior manager-level executives appointed as co-chief officer work in tandem to establish and promote action plans for key strategies.

By establishing a forum for executive officers to discuss key Groupwide strategies with directors, including outside directors, the Company seeks to provide guidance and training through outside directors and substantiate discussions by the Nomination Committee, the members of which include outside directors.

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
Succession preparedness rate (%)	219.1	218.3	220.1	Unicharm Corporation employees
No. of employees participating in the Strategy Secretary to CEO program (cumulative)	6 (57)	6 (63)	6 (69)	Unicharm Group

Global 30 Successor Development Program

In July 2024, we launched the Global 30 program to develop senior executives who will lead the Unicharm Group forward. The third phase of this program was conducted over three days from July 8 to 10, 2025, with a total of 16 employees participating from Japan and 15 overseas subsidiaries.

The program is designed to foster the overall skills required of senior executives through a curriculum that includes liberal arts education. This year's session featured a workshop on our Wellness Care Business with respect to nursing care and diaper-changing methods, as well as a kawara tile-breaking experience and Kabuki theater performance to deepen understanding of Japanese culture.

Double Award Winner at HR Asia Awards 2025 (Vietnam)

In August 2025, Unicharm's local subsidiary in Vietnam won awards in the two categories of Best Company to Work for in Asia and Most Caring Company at the HR Asia Awards 2025. HR Asia Awards is an international award recognition program organized by HR Asia, a subsidiary of Business Media International (BMI) that recognizes companies in Asia with the best HR practices and excellent workplace cultures and which demonstrate high levels of employee engagement. Winning two awards in our first participation attests to our success in integrating Unicharm's human resources philosophy with our deep understanding of the workplace culture and environment in Vietnam. This outstanding recognition reflects our commitment to creating a workplace environment where employees can happily and collectively pursue life goals and dreams through mutual inspiration.

Human Resources

Diversity and Inclusion

401-3,405-1,405-2

Our Basic Approach and Strategy

In accordance with the Unicharm Group Charter of Actions, we aim to be a company where diverse individuals acknowledge and respect each other's various differences in nationality, race, religion, gender, sexual orientation, age, ancestry, and disability, and are able to demonstrate and utilize their individuality and abilities to the fullest.

Management Structure

Under the direction of the executive officer in charge of human resources, our diversity and inclusion initiatives are conducted in cooperation with the Global Human Resources & Administration Division and persons in charge of human resource strategies in each functional division, business division, and subsidiary. Persons in charge of human resource strategies come from various backgrounds, and we believe diversity and inclusion in our workplace is improved by creating an environment in which diverse human resources can demonstrate their abilities appropriately. Plans for these initiatives are approved through regular reports to management, including directors and executive officers, and their status of implementation and effectiveness are reported regularly to management.

Indicators and Targets

► Kyo-sei Life Vision 2035: Unicharm Principles

Indicator	Target	Target Year
Percentage of female managers driven by the provision of various opportunities for women	30% or more	2035

Initiatives and Results

Promotion of Women's Empowerment

At Unicharm, we are working to establish a workplace environment and a human resource system that enables all employees regardless of gender or life stage to constantly play an active role. We are also strengthening our efforts to promote women's advancement, such as holding networking events for young employees.

In fiscal 2021, we launched our Room L+ mentorship system as a way to help female employees build networks and dispel or eliminate career and lifestyle-related concerns through mentoring and roundtable discussions. We then established Maternity Leave Room L+, providing a venue to exchange information based on type of profession and fostering a sense of security for those who are preparing to return to work from maternity or childcare leave. Since fiscal 2024, we have been collaborating with other companies and holding interviews with mentors to help broaden the perspectives of participants by creating opportunities for mentees to connect with not only other mentees but also senior employees and employees of other companies. As a result, the employee satisfaction rate for our mentoring activities rose to a perfect 5.0 in fiscal 2025.

Furthermore, since fiscal 2022, we have been promoting our Empowerment System, which provides individual support to women who are candidates for division head positions and for executive positions. This system aims to solve the challenges faced by female leaders through mentee discussions in which they share advice and through one-on-one biannual interviews with executive officers who are not in charge of personnel development (immediate supervisors) for a period of one and a half years. In fiscal 2025 and as of this report in fiscal 2026, a total of eight female leaders participated in this program, which in addition to the aforementioned discussions and one-on-one interviews, consisted of exchange meetings and social gatherings for all mentors and mentees, a lecture held by a female outside director, and an event to celebrate our accomplishments. The lecture held by the female outside director was particularly well received, contributing to the achievement of a 5.0 satisfaction rate. As a result of such efforts, the percentage of female managers was 27.8% (18.0% in Japan, 35.3% overseas) as of December 31, 2025.

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Fiscal 2026 Targets	Coverage
Percentage of female employees (%)	36.4	36.8	36.8	—	Unicharm Group
Percentage of female managers (%)	24.7	25.5	27.8	—*	
Percentage of female executive officers (%)	3.6	3.4	6.9	6.0	
No. of female executives (Japan)	2	2	2	3	
No. of female executives (overseas)	10	10	15	—	

* 30% or more in 2035

In support of the aims of the Women's Empowerment Principles, Unicharm has signed a statement to act in accordance with these principles and is strengthening efforts to promote the advancement of women across the Group, such as becoming a member of 30% Club Japan to promote diversity initiatives and increase the percentage of women on corporate boards.

In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
JN Global Compact Office



Participating in the Business Leaders Dialogue Held by the UN Women Japan Liaison Office

In December 2025, a female executive officer of Unicharm Corporation participated in the Business Leaders Dialogue held in conjunction with the visit of UN Women Executive Director Ms. Sima Sami Bahous to Japan. At this forum, we shared examples of Unicharm's initiatives to empower women, including efforts to eliminate time restrictions on television advertisements for sanitary products in Japan and to advance Project Jagriti*1 in India.

*1 Jagriti means "awakening" in Hindi.

Certified as Himeboss Declaration Business by Ehime Prefecture

Unicharm has been certified as a Himeboss Declaration Business by Ehime Prefecture, a program in which Ehime Prefecture certifies businesses that are dedicated to promoting women's advancement and the balance of work and family life. Unicharm received this certification in 2024 in recognition of its commitment to increase the ratio of women in management positions and promote the participation of male employees in childcare.



Hiring Employees of Diverse Nationalities and Promoting Them to Management Positions — 202-2

At our Group subsidiaries around the world, executive and management positions are primarily held by those hired locally in their respective countries and regions. Meanwhile, in Japan we are also advancing the recruitment and promotion of employees to managerial roles regardless of nationality or race. In these ways, we strive to create a system and foster a corporate culture in which all employees across the Group can engage and flourish.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Fiscal 2026 Target	Coverage
Percentage of locally hired employees in management positions (general manager and above) at overseas subsidiaries (%)	52.3	58.7	56.1	—*2	Unicharm Group's overseas subsidiaries

*2 2030 target: 80%

Leadership Development Program (Indonesia)

Unicharm's local subsidiary in Indonesia, PT UNI-CHARM INDONESIA TBK (UCI), conducts a proprietary training program known as G30 to foster future leaders. By attending five sessions, participants acquire cross-functional basic knowledge with the aim of becoming future leaders at UCI. In fiscal 2025, a total of 35 male and female employees participated in the program.

Moreover, in fiscal 2025 UCI introduced Love Your Possibilities Advance, an advanced version of the Love Your Possibilities program conducted in fiscal 2024. In this program, 15 participants from G30 and other training programs were divided into four groups to work on pre-assigned projects, presenting their results to UCI's management team. The presentation session also allowed participants to receive advice directly from management, serving as a practical opportunity to develop future leaders.

Hiring Experienced Personnel and Promoting Them to Management Positions —

Unicharm Corporation actively recruits experienced professionals with diverse experience, skills, and expertise. Employees who join the Company as experienced professionals are actively promoted to management positions upon determining their respective abilities and aptitude. Unicharm also promotes the rehiring of employees who have left the Company for family or other reasons.

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Fiscal 2026 Targets	Coverage
No. of mid-career hires	43	65	46	58	Full-time employees of Unicharm Corporation
Percentage of mid-career hires in management positions (%)	33.5	38.1	38.8	40.0	

Creating a Workplace for People of All Life Stages —

We have introduced the Re-Create System, in which employees in their 50s can apply for transfer to other departments by reflecting on their career to date and identifying what they would like to do, what they can do, and what they must do going forward.

Moreover, employees who have reached retirement age and who wish to continue working can remain employed as "professional staff." Compensation is determined in accordance with the roles and responsibilities of their position, in which they can draw on their past experiences and existing skills and knowledge while making the most of newly acquired skills and knowledge, ensuring that their compensation appropriately reflects the nature of their position. When determining the compensation of professional staff, we also refer to market assessments of their potential abilities.

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Fiscal 2026 Targets	Coverage
Rehiring rate of retired employees (%)	86.2	88.4	76.1	85 or more	Unicharm Corporation
Rehiring rate of retired employees seeking reemployment (%)	100	100	100	100	

Expanding Our Recruitment of People with Disabilities

Unicharm actively employs highly motivated individuals who share our corporate philosophy, regardless of disability, and aims to create a workplace where they can utilize their strengths and achieve continuous growth. Specifically, we set goals within each department that leverage the strengths and consider the characteristics of each individual, while establishing a corporate culture that emphasizes team accomplishments by encouraging one another to gain successful experience through the provision of appropriate guidance and advice on a weekly basis.

In fiscal 2023, a nationally certified anma massage therapist with a visual impairment was hired as a full-time employee for our massage room at Unicharm headquarters. In fiscal 2024, with the aim of creating a more inclusive work environment where employees with disabilities can share information across departments, we launched an internal community called “Room C” and established regular opportunities for information exchange. Furthermore, in fiscal 2025, we held a networking event with employees with disabilities from a major food manufacturer to allow Room C employees to exchange information with those outside the Company.

We also strive to improve the workplace environment. In terms of facilities, we have installed elevators and handrails, enabling free and safe mobility by removing obstacles. From a communication perspective, we have incorporated the use of email and chat options for work instructions. These are some of the ways in which we are working to create an environment where everyone can fully demonstrate their skills by taking into consideration the specific characteristics of their disability.

Currently, at Unicharm’s satellite office in Mito City, Ibaraki Prefecture, employees with disabilities are utilizing their abilities by engaging in duties such as invoice processing for specific departments.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Fiscal 2026 Target	Coverage
Average annual employment rate of people with disabilities (%)	2.2	2.4	2.6	2.7	Unicharm Corporation

In May 2021, Unicharm became a member of The Valuable 500, an international initiative that promotes the active participation of people with disabilities, and continues to strengthen its efforts in this area.



Expanding Regional Employment Through Respect for Different Cultures and Religions

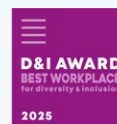
Unicharm helps expand employment in the various countries and regions in which it operates through its business activities. By providing employment opportunities and respecting the characteristics and cultures of these countries and regions, we uncover promising individuals.

In Saudi Arabia, women are prohibited from mixed-gender interactions outside of their families due to cultural and religious reasons, which limit their employment opportunities. In light of such circumstances and out of respect for the local culture, in 2012 Unicharm established a factory that allows women to work in a same-gender environment. Today, due in part to the easing of various restrictions, a number of women are taking on significant roles not only at the factory but also as members of the promotion and product development departments.

Best Workplace Recognition at D&I AWARD 2025

For the third consecutive year, Unicharm was recognized by JobRainbow Co., Ltd. as a “Best Workplace” at D&I AWARD 2025, Japan’s largest award for companies that excel in diversity and inclusion (D&I) initiatives.

This year’s award was in recognition of Unicharm’s high level of commitment to D&I in both Japan and overseas, the efforts of each employee to actively promote D&I and foster a corporate culture of D&I, and the fact that our D&I philosophy is reflected in all aspects of our business activities and organization and that this impact has been recognized outside the Company.



Respect for Sexual Orientation

At Unicharm, we respect all sexual orientations and genders and strive to provide a workplace environment where employees can work to their potential. In fiscal 2022, we reviewed our Harassment Prevention Regulations and added a provision on sexual orientation and gender identity to these regulations. In addition, we conduct e-learning and level-specific training to promote awareness of sexual minorities.

As part of diversity and inclusion training, in fiscal 2023, we held workshops for all Unicharm Corporation employees to promote awareness of unconscious bias. These workshops illustrated the concept of unconscious bias using case studies, followed by video demonstrations of desirable responses. Participants then discussed the measures that can be implemented in their respective departments and groups. In fiscal 2024, an advanced version of this workshop was held to further deepen understanding of unconscious bias and enable participants to put their knowledge into practice. Similar workshops were conducted in fiscal 2025, in which nearly all eligible employees attended eight e-learning sessions held during the year.

Furthermore, Unicharm introduced a same-sex partnership system to enable sexual minorities to receive the same benefits as opposite-sex couples. This system includes benefits such as company-leased housing, unaccompanied duty allowance, wedding gifts, and family condolence payments.

By continuing to educate and raise awareness through such initiatives, Unicharm is working to foster a workplace culture in which each individual respects one another and can take pride in their diversity.

In December 2022, Unicharm was registered as a Tokyo Metropolitan Government Barrier-Free Support Company for its efforts to foster awareness among employees and society about the importance of equal participation and being free from preconceptions.



System for Determining Fair Compensation 202-1

Unicharm has a system in place to determine employee compensation in a fair manner, ensuring that the compensation of employees with the same qualifications and duties does not differ based on gender. The average wage of female employees is lower than that of male employees due to a couple of factors: the ratio of women in management positions and the difference in years of service. To resolve these issues, we are taking measures to support women's career development and promote more women to leadership positions. We will continuously strive to achieve gender equality by setting concrete goals and disclosing our progress regularly.

► Wages of Female Employees as a Ratio of Male Employees*1

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
Starting base salaries (%)	100	100	100	Full-time employees of Unicharm Corporation
Base salaries (%)	77.5	80.6	82.6	
Total remuneration amount (%)	73.1	74.9	76.6	

*1 Calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015)

Support for Balancing Work and Childcare

Unicharm offers a variety of support programs (Moony Childcare Support System) to provide a workplace environment that is conducive to balancing work and childcare.

• Moony Maternity Leave

Employees may take up to six weeks of paid leave before childbirth (14 weeks for multiple pregnancy) and up to eight weeks of paid leave after childbirth.

• Moony Childcare Leave

Employees may take childcare leave until the day before their child's second birthday. Those with paid vacation days remaining at the start of this leave may use up to 15 of those days as part of this leave. While employees do not receive a salary during the period of the leave, they are provided with childcare benefits from unemployment insurance. Male employees may take this leave from their partner's pregnancy.

• Moony Childcare Involvement Leave

Male employees may take up to five days of this special paid leave within eight weeks of the birth of their child.

• Postpartum Paternity Leave

Male employees may take up to four weeks of this childcare leave within eight weeks of the birth of their child.

• Moony Shortened Work Hours for Childcare

Employees with children up to the age of third-year elementary school who have returned to work from childcare leave may reduce their work hours to as few as five hours per day.

• Covering the Cost of Hands-Free Commute

The Company covers the cost of this disposable diaper subscription service for childcare facilities when used by employees.

P.68 Hands-Free Commute: A Subscription-Based Model for Disposable Diapers

► Moony Childcare Support System

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Fiscal 2026 Targets	Coverage
No. of employees taking Moony Childcare Leave	140	139	132	—	Unicharm Corporation Unicharm Products Co., Ltd.
Percentage of employees taking Moony Childcare Leave (%)	96.1	100.0	101.0*2	100	
Percentage of male employees taking Moony Childcare Leave (%)	100.0	100.0	101.5*2	100	
Percentage of employees taking Moony Childcare Involvement Leave (%)	83.7	88.0	94.6	100	Unicharm Corporation

*2 Percentage exceeds 100 where male employees whose partners gave birth in the previous fiscal year took childcare leave in the applicable fiscal year.

Unicharm Corporation endorses the declaration made by Work-Life Balance Co., Ltd. to have all eligible male employees take paternity leave.



Unicharm Products Co., Ltd. Receives Platinum Kurumin Certification

Under the Act on Advancement of Measures to Support Raising Next-Generation Children, companies that demonstrate high levels of commitment to supporting the balance between work and family life and have received Kurumin certification from the Minister of Health, Labour and Welfare may be granted special Platinum Kurumin certification, recognizing them as an outstanding childcare support company for demonstrating even higher standards and meeting certain criteria.

Since receiving Kurumin certification in 2007, Unicharm Products Co., Ltd. has worked to support the development of the next generation with the goal of obtaining Platinum Kurumin certification. In fiscal 2025, the company was recognized for its efforts to expand the special leave system to heighten support for employees raising children and creating an environment that allows them to focus on childcare for longer periods, enabling employees to work in their own way and believe in their own potential.



► Programs to Support Diverse Workstyles: Case Study from Unicharm Corporation

System	Target	Summary
Moony Maternity Leave	Employees expecting the birth of their child	Can take up to six weeks of paid leave before childbirth (14 weeks for multiple pregnancy) and up to eight weeks of paid leave after childbirth
Moony Childcare Leave	Employees with children under two years old	Can take up to two years of leave until the day before their child's second birthday
Moony Childcare Involvement Leave	Male employees of Unicharm Corporation who have children up to eight weeks old	Can take up to five days of leave within eight weeks of the birth of their child
Postpartum Paternity Leave	Male employees of Unicharm Corporation with children under eight weeks old	Can take up to four weeks of leave within eight weeks of the birth of their child
Moony Shortened Work Hours for Childcare	Employees who have children up to the third year of elementary school	Can shorten work hours to as few as five hours per day
Covering the Cost of Hands-Free Commute	Employees using childcare facilities	The Company fully covers the cost of <i>Hands-Free Commute</i> (disposable diaper subscription service for childcare facilities) when used by employees
Moony Birth Support Leave Program	Employees who undergo fertility treatment	Can take up to one year of leave for advanced fertility treatment
Egg Freezing and Storage Service	Employees and family members who wish to enroll (up to second degree of kinship)	Can use benefit coupon codes for discounts on the use of frozen egg storage services at medical institutions that are affiliated with external regenerative medicine-related businesses
Lifree Nursing Care Leave	Employees who have family members in need of continuous nursing care for more than two weeks as a result of injury, sickness, or physical or mental disorder	Can take, upon application, up to five days of leave per year for each family member requiring nursing care
Lifree Flexible Work Program	Employees with family members in need of long-term nursing care for more than one month as a result of injury, sickness, or physical or mental disorder	Can apply for the option to work completely from home without the need to come to the workplace or to work fewer days (three or four days per week) to care for family members in need of nursing care
Sofy Leave	All female employees	Can take days off during menstruation when working may be difficult; bearing our brand name, we are working to promote awareness of this system within the organization and foster a culture that encourages employees to take such leave
Remembering Our Beloved Pets Leave	Employees with a pet (dog or cat) at home	Can take one day of special leave upon the passing of a pet (dog or cat)
Anniversary Leave	All employees	Can take paid leave for anniversaries and other planned holidays (five days per six months/10 days per year)
Civic Duties Leave System	Those selected to serve as a citizen judge or on the Committee for the Inquest of Prosecution	Can take, upon application, the required number of days of leave to appear in court as a citizen judge
Bone Marrow Donor System	Employees who wish to donate bone marrow	Can take, upon application, up to seven business days of leave per donation of bone marrow for procedures required to donate to a patient in Japan (excluding donor registrations)
Flextime System	All employees (with the exception of certain positions)	A flextime system without core hours that enables employees to work efficiently while maintaining the right balance between their work and personal lives by deciding their own work hours, including start and finish times
Work-from-Home System	All employees (excludes positions for which remote work is not feasible)	Can work from home or any other environment where employees can easily concentrate on work up to twice a week, in principle
Second Job System	All employees	Can work a side job toward the advancement of skills or personal development, provided that the roles will not impede their primary work (applicable only to off-business hours and holidays)
Career Recovery System	Employees who were full-time at the time of retirement	Can be reemployed within a five-year period from the time of their resignation, dependent on mutual agreement between the former employee and the Company

Human Resources

Employee Health

403-6,403-10

Our Basic Approach and Strategy

At Unicharm, we believe that maintaining the physical and mental well-being of our employees is essential to enabling them to work with passion and make the most of their abilities. Accordingly, we established the Health Management Declaration in April 2007, and promote health management across the Group to enhance the health literacy of all employees based on the principle of “protecting our health on our own.” Unicharm has also been a member of the Health Management Alliance since fiscal 2023 in pursuit of a healthy society. By promoting collaborative health between companies and health insurance associations,* we make every effort to ensure that employees are healthy and able to perform at their very best, spurring the growth of both employees and the Company. Furthermore, the contents of the Health Management Declaration are revised as appropriate.

These efforts have been recognized with our selection as a White 500 company under the Certified Health & Productivity Management Outstanding Organizations Recognition Program for the third consecutive year.



* In which insurers, such as health insurance associations, and businesses actively work together, clarifying their respective roles and creating a positive working environment, to effectively and efficiently protect and promote the health of insured parties (employees and their families)

 **Health Management Alliance (in Japanese only)**

<https://kenkokeiei-alliance.com/>

▶ Health Management Declaration

Unicharm is committed to resolving environmental and social issues in the aim to realize a cohesive society. Resolving such issues entails diverse and vibrant employees who can demonstrate their potential to the fullest, and therefore, the health of each employee is of utmost importance.

In addition, Unicharm's three aspects of wealth (aspirational wealth, economic wealth, and spiritual and physical wealth) are positioned as a common goal for all employees. We believe that fulfilling one's professional and personal dreams is only possible by maintaining good mental and physical health, that this fulfillment will lead to the happiness of employees, enabling the Company to maintain and improve productivity, and that employees and the Company can share in the health of one another.

Unicharm is strengthening existing measures to maintain and improve health and promoting health management as part of its human resource strategy to enable employees to work vigorously and in good health while creating added value. With the aim to realize a society where individuality is respected and everyone supports one another, Unicharm regards the health of its employees as its most important management resource. We vow to maintain and promote the mental and physical health of employees and help them continue to work while undergoing medical treatment.

Takahisa Takahara
President & CEO
Unicharm Corporation

▶ Basic Policy

1. Employees give priority to primary prevention and strive to improve life-style habits based on the principle of “protecting our health on our own.”
2. The Company provides a safe and comfortable environment so that employees can enjoy a fulfilling workplace and fully exercise their abilities.
3. The Human Resources Division properly uses and manages personal information such as medical examination results and promotes health management with collaborators inside and outside the Company.

▶ Health Management Action Policy

1. Improve the health literacy of employees and contribute to the creation of healthy workplaces as a group of professionals who support the health of employees
2. Enhance individual performance by bringing smiles to the faces of employees and increasing the number of employees who are physically and mentally healthy
3. Raise health awareness by supporting self-care activities casually but rigorously based on the principle of “protecting our health on our own”

Management Structure

Under the direction of the president & CEO, the Iki-Iki Health Promotion Office, established within the Global Human Resources & Administration Division, takes the lead in reporting on matters related to employee health promotion regularly to management and planning and implementing measures upon approval. We also work with industrial physicians, public health nurses, and other experts to constantly ensure the physical and mental well-being of employees.

Initiatives and Results

Creating Vibrant and Healthy Working Environments

Aiming to reduce working hours while improving employee productivity, we at Unicharm are promoting workstyle reform by reviewing our systems and structures to stay in step with the times, rather than simply relying on adjusting the mindset of each employee. Specifically, the Company has introduced a work-from-home system that allows employees to work from home and a flextime system (without set core work hours) that allows them to choose when to work so that they can flexibly adjust their workstyle according to life events. In addition, we are promoting ways of taking time off from work, allowing employees to refresh their mind and body by delineating work and non-work times, such as by prohibiting phone calls and emails between supervisors, colleagues, and subordinates on days off. Through these adjustments to our work systems, we continuously strive to improve our overall workplace environment.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
Percentage of employees utilizing the work-from-home system (%)	52.0	48.0	47.0	Unicharm Corporation

Encouraging the Taking of Paid Leave

At Unicharm Corporation, we encourage employees to take at least five days of paid leave per year, including five days every six months as anniversary leave in which planned paid leave can be taken for anniversaries, among other personal holidays.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Fiscal 2026 Target	Coverage
Percentage of paid leave taken (%)	71.2	70.0	73.7	75.0	Unicharm Corporation

Appropriate Management of Working Hours

Unicharm Corporation monitors working hours through log records on employee computers. We ensure employees are able to rest between workdays through initiatives such as the Work Interval Program, which requires employees to take at least 12 hours in principle and 10 hours at minimum between the end of a workday and the start of the next workday. We have also introduced monthly no-overtime days and premium Fridays to encourage employees to leave the office on time.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Fiscal 2026 Target	Coverage
Total working hours per employee	1,966.6	1,957.4	1,938.7	Less than 2,000 hours	Unicharm Corporation

Annual Health Checkups

To help maintain the physical and mental well-being of its employees, Unicharm Corporation conducts regular health checkups for required examination items, as well as offering cancer screenings, pulmonary function tests, abdominal ultrasounds, and fundus and intraocular pressure tests for examination items recommended by the Japanese government. We have maintained a 100% uptake rate since fiscal 2009.

For employees who are advised to undergo further examination as a result of their health checkups, we promote early detection and treatment of illnesses by ensuring that they receive appropriate medical consultations through guidance from an industrial physician. Moreover, since fiscal 2020 we have digitized the results of health checkups and analyze them to provide educational activities and health management support that cater to the specific needs of each employee.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
Percentage of employees receiving health checkups (%)	100	100	100	Unicharm Corporation

Cancer Screening and Health Checkup Program 2025 (Malaysia)

To coincide with World Health Day on April 7, 2025, Unicharm's local subsidiary in Malaysia conducted the Cancer Screening and Health Checkup Program 2025 in cooperation with the National Cancer Society of Malaysia. This program, designed for employees who are not covered by the company's regular health checkups, included blood, liver function, and urine tests, as well as cervical cancer screening for women and prostate cancer screening for men. Participants also received medical consultations, report analysis, and personalized advice from physicians. A total of 24 employees who requested participation underwent checkups at the company's facilities after registering with the dedicated SEHATi app.

In-House Cancer Awareness Campaign (Brazil)

Unicharm's local subsidiary in Brazil conducted a breast cancer awareness campaign led by an industrial physician, in which 80 female employees participated. The campaign provided an overview of breast cancer, its symptoms, and available treatment support, and useful information on medical institutions for women's health management. A similar campaign was held to raise awareness of prostate cancer, in which 180 male employees participated.

Activities to Promote Health and Well-Being (India)

At Unicharm's local subsidiary in India, seminars on health and well-being are conducted by doctors and other specialists with the aim of maintaining and improving employee health. In fiscal 2025, a total of 10 seminars were held on topics such as oral hygiene, skin care, and dietary habits, with 566 employees participating. In addition, the company focused on holding specialized programs based on monthly health-related themes. These included online seminars and dental checkups as part of Oral Health Month in February, online guidance from nutritionists and weekly activities based on such themes as hydration and snacking in conjunction with Nutrition Promotion Month in May, and eye yoga and eye examinations as part of Eye Health Month in September.

Women's Health

As an early prevention measure for breast and cervical cancer, Unicharm Corporation offers breast and gynecological exams to all female employees, regardless of age, which is paid for by the Company. In addition, our menstrual leave system "Sofy Leave" bears the brand name of our sanitary pads, to promote internal awareness and foster a culture that encourages employees to take such leave.

Since fiscal 2023, Unicharm has been providing educational programs on menopause annually in conjunction with World Menopause Day on October 18. The curriculum also focuses on male menopause, providing a checklist to participants to facilitate early detection and diagnosis. By having all employees, regardless of age or gender, gain basic knowledge on menopause, Unicharm aims to foster a workplace that promotes better understanding and support for menopause symptoms.

Moreover, to promote diverse career and life paths, in fiscal 2024 we began subsidizing the cost of egg freezing and storage services, an option for women to continue working with peace of mind. Furthermore, we are promoting initiatives for sustainable performance improvement by hosting webinars to foster a proper understanding of mental and physical health regardless of gender, and by creating a workplace environment that supports employees in designing life plans with diverse future options.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
No. of participants in menopause program	2,150	2,142	1,555	Unicharm Corporation

P.113 Pink Ribbon Activities (Health)

Ensuring the Well-Being of Older Employees

Unicharm Corporation holds training sessions on themes specific to older employees upon reentry to the workforce, such as fall prevention (exercise and nutrition to maintain muscle strength), sleep, mental health, and early cancer detection, with the aim to ensure that employees continue to lead long and healthy lives after retirement. We also encourage all employees to undergo physical fitness tests and body composition measurement tests.

Promoting a Smoke-Free Environment

Unicharm Corporation gradually began implementing a smoking ban in fiscal 2013 and has completely banned smoking at all of its business sites since fiscal 2016. During work hours, employees are prohibited from smoking even outside of company premises, such as during sales activities and remote work. In introducing this smoke-free policy, we posted relevant information on pop-up displays of our company intranet to enhance awareness. Also, each year we provide information on smoking cessation in honor of World No Tobacco Day through our monthly internal newsletter to promote health awareness and our in-house digital signage. We have also introduced a support program provided by the health insurance association as part of our ongoing efforts to ban smoking.

Promoting Exercise

Unicharm holds radio calisthenics each weekday morning at 8 a.m. to enable employees to continuously exercise in a relaxing and fun environment. Employees working from home also participate in these exercises online. We also strongly encourage employees to use the stairs when moving from floor to floor within the office to maintain their physical strength and prevent deterioration in their physical fitness.

To help refresh the minds and bodies of employees during break times at work, enhance productivity, and improve health awareness, Unicharm Corporation offers massages by anma therapists and one-on-one stretching programs by outside trainers at its head office. In addition, we hold online stretching sessions to enable more employees to participate, and body composition measurement tests and physical fitness tests are held at various business sites, including our head office, so that employees can better understand their health and fitness levels.

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
No. of massage room users	253	782	857	Unicharm Corporation
No. of participants in one-on-one stretching program	338	342	289*	
No. of participants in online stretching sessions	81	—	135	
No. of participants in body composition measurement tests	235	306	380	
No. of participants in physical fitness tests	54	50	97	

* Some participants transferred to online stretching sessions.

Unicharm Corporation is a supporter of the Sport in Life Project, which aims to make sports a part of daily life, and is a member of the Sport in Life Consortium. We were also recognized as a Sports Yell Company 2026 Bronze+ by the Japan Sports Agency and as a Tokyo Sports Promotion Company by the Tokyo Metropolitan Government in 2025 for our efforts to actively support and promote sports activities to improve the health of employees.



Walkathon (Taiwan–Greater China)

Since fiscal 2022, Unicharm's local subsidiary in Taiwan–Greater China has been conducting a walkathon biannually to promote employee health. In this program, participants are awarded one point for walking at least 8,000 steps per day. Employees use an exclusive app to set targets and manage the results of their step counts. Those who earn 72 or more points during the program or reach one million steps in total are awarded prizes as a way to encourage employees to exercise regularly. In fiscal 2025, the program was held twice over the three-month periods of April to June and October to December, in which a total of 276 employees took part.

P.50 Forest Conservation Activities > Sapling Donations (Taiwan–Greater China)

Second Solidarity Walk (Brazil)

In October 2025, Unicharm's local subsidiary in Brazil held its second Solidarity Walk, in which over 400 people participated, including employees, their families, and representatives from partner companies. Walk-in-Unity is an event that fosters unity through the experience of walking together with fellow employees with the aim of promoting health awareness, forging closer ties, and supporting those in need. In addition to the walking event, various other activities were held, including blood pressure measurement and blood glucose checks, dance classes, and a juice-making exercise in which participants pedaled a bicycle to squeeze fruit juice. Each person had to bring 1 kg of food as a requirement to participate, and more than 300 kg of collected food items were donated to the Social Solidarity Fund of Jaguariúna City, home to one of our factories, contributing to the support of the local community.

Bento Box Sessions to Promote Employee Health and Well-Being (Australia)

Unicharm's local subsidiary in Australia continues to hold Bento Box Sessions during lunch hours to promote the physical and mental health and well-being of its employees. As part of the fiscal 2025 program, a four-month self-defense training program was held in cooperation with a local gym, which originated from an employee suggestion. Through a combination of lectures and practical exercises, the program is designed to systematically teach risk aversion and domestic violence prevention techniques.

For U For Future 2025 (Vietnam)

In October 2025, Unicharm's local subsidiary in Vietnam held For U For Future 2025, a sports event to promote employee health and strengthen cross-departmental communication, in which over 1,300 employees participated. In the main event, a 5.4 km relay race, 15 teams competed while passing traditional Japanese *tasuki* sashes and demonstrating a sense of unity and responsibility. The Fun Run, open to employees of all positions, fostered a sense of unity across departments, making for an exciting day.

Furthermore, this event also served as a charity fundraiser. Through the purchase of commemorative goods and other contributions, a total of VND81.3 million was raised and donated to support impoverished mothers and children in Bắc Ninh Province, where one of our factories is located. This event has proven to be a meaningful initiative, promoting the physical and mental health of employees and contributing to the betterment of local communities.

Measures Against Infectious Diseases

To ensure the safety of employees, their families, and business partners, Unicharm Corporation has established the Unicharm Infectious Disease Guidelines, based on which it is taking measures to prevent infectious diseases. To enable as many employees as possible to receive flu vaccinations, Unicharm partially covers the cost of and holds in-house clinics for vaccination. For employees assigned or traveling to overseas bases, we provide information on infectious diseases such as COVID-19, HIV/AIDS, tuberculosis, malaria, and hepatitis through the overseas support information on our company intranet.

Meanwhile, in Malaysia, Singapore, Thailand, and Vietnam where the spread of dengue fever is a concern, we introduced *MamyPoko ANTIMOS Pants*, an anti-mosquito disposable diaper, and offer information through this product's website. In Brazil and Vietnam, we sell wet sheet-type insect repellent wipes that are designed to repel mosquitoes.

web *MamyPoko ANTIMOS Pants website*
<https://mamypokoagainstdengue.com/>

P.113 Educational Activities Regarding Dengue Fever (Health)

Participation in Conference for Tuberculosis Prevention in the Workplace (Indonesia)

In November 2022, Unicharm's local subsidiary in Indonesia took part in a conference hosted by the Ministry of Health of the Republic of Indonesia aimed at preventing tuberculosis in the workplace. The conference aims to promote early detection of tuberculosis in order to achieve the Indonesian government's goal of eliminating tuberculosis by 2030. To help achieve this goal, in July 2022 our Indonesian subsidiary launched a program to eliminate tuberculosis in the workplace through the support of the country's Ministry of Health and Otsuka Pharmaceutical Co., Ltd. In fiscal 2025, the company displayed posters, designed in collaboration with partner hospitals, within its facilities to raise awareness of tuberculosis, reinforcing prevention and early detection through the use of visual media.

Mental Health Measures

At Unicharm Corporation, we educate employees on the importance of stress checks and the proper ways to make use of such results to encourage more employees to undergo these checks as a preventive measure against mental health illness. We also provide training programs on ways to maintain mental health and well-being, which is attended by all of our employees each year.

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
Percentage of employees who underwent stress checks (%)	99.5	100	100	Unicharm Corporation
No. of employees who participated in mental health training	1,944	2,126	2,238	
No. of employees on mental health leave	9	13	19	

Support for Back-to-Work and Work-Treatment Balance

To ensure a seamless return to work even after a long-term leave due to illness, Unicharm Corporation provides individual support through consultations with an industrial physician or a public health nurse based on its Back-to-Work Support Program. We also have a support program in place for employees to receive consultations from external counselors. Furthermore, we have a support system that enables employees to work while receiving medical treatment.

Presenteeism and Absenteeism

Presenteeism is a state in which one's performance declines due to headache, backache, anxiety, hay fever, or other conditions, despite being able to continue with one's work. Unicharm Corporation regularly measures the degree and causes of presenteeism using the Single-Item Presenteeism Question (SPQ) developed by the University of Tokyo. In fiscal 2025, we received responses from all 2,203 target employees.

Meanwhile, absenteeism refers to absence from work due to health issues. The number of sick days due to employee illness or injury is calculated and monitored over time, along with the causes of these absences. This and other relevant information are used to formulate health measures and promote the health of employees.

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
Presenteeism (%)	15.2	14.0	14.3	Unicharm Corporation
Absenteeism (%)	0.733	0.782	1.085	

Note: Sick leave days rate = Total number of sick leave days including weekends and holidays ÷ (Number of employees × 365) × 100

Human Resources

Occupational Safety and Health

403-1,403-2,403-3,403-4,403-5,403-6,403-7,403-8,403-9,403-10

Our Basic Approach and Strategy

In accordance with the Unicharm Group Policy on Human Rights and the Unicharm Group Charter of Actions, Unicharm is committed to eliminating all forms of child and forced labor as well as excessive working hours.

With the intent of preventing disasters and accidents, we have established basic policies for managing occupational safety and health and will create a workplace environment that places the highest priority on ensuring safety and maintaining and improving the health of our employees at all times.

Unicharm's policies on occupational safety and health are translated into various languages so that they are understood by all of our employees.

Ensuring Occupational Safety and Health Management

The Company prioritizes employee safety at all times by having all employees work together to improve the work environment, with safety and health managers taking the lead, and aims to achieve zero accidents by implementing thorough safety and health management.

Managers also observe the mental and physical health of their subordinates and respond promptly when they find an issue.

Management Structure

Unicharm has established the Safety and Health Management Regulations* in accordance with the Industrial Safety and Health Act with a view to ensure safety and maintain and improve the health of its employees while preventing accidents and disasters.

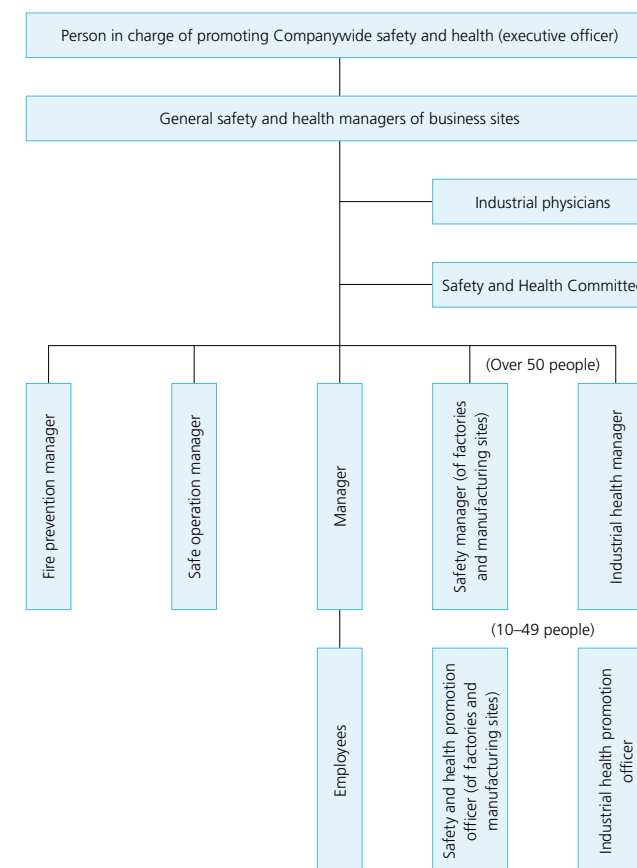
To develop and manage the Companywide safety and health management system, the executive officer in charge of promoting safety and health throughout the Company, appointed by the president & CEO, supervises the general safety and health managers of each business site, who are the highest-level authority for these sites. At each site, the general safety and health manager appoints a safety manager, industrial health manager, and fire prevention manager, in addition to formulating a Safety and Health Committee to develop a management system.

The Safety and Health Committee, comprising members selected from the Company and labor union as well as industrial physicians, meets each month to discuss matters such as activities to improve the workplace environment, prevention of workplace accidents, elimination of vehicle accidents, and promotion of employee health. Moreover, workplace inspections are conducted by committee members once every two months.

Important actions are reported by the Safety and Health Committee secretariat to the person in charge of promoting Companywide safety and health for approval. Actions related to safety approved by the person in charge are carried out as activities in each department. A PDCA cycle is implemented in which the progress of each activity is reported periodically to the Safety and Health Committee, improvement measures are determined based on their effectiveness, and further actions are taken.

* Applies to full-time employees, contract employees, part-time employees, and employees on assignment from relevant subsidiaries and external organizations

► Unicharm Corporation's Occupational Safety and Health Management System



Occupational Safety and Health at Production Sites

Unicharm implements an occupational safety and health management system (OSHMS) at its production sites to continuously maintain and improve occupational safety and health activities. We follow a specified PDCA process to promote ongoing safety and health management on an autonomous basis, enhancing safety and health standards such as prevention of workplace accidents, promotion of worker health, and creation of pleasant work environments. Our OSHMS aims to improve the health and ensure the safety of all individuals, including executives, employees, contingent staff, and part-timers, as well as employees of associate companies operating on our premises (including contractors and outsourced companies). OSHMS operations ensure that all employees at production sites have set goals for promoting safety and health activities under clear roles and responsibilities and through regular checks by the general safety and health managers (including factory managers). This system allows the identification of latent risks for occupational injuries and diseases in the workplace and the revision of safety and health activities.

Acquiring ISO 45001 Certification for Occupational Health and Safety Management Systems

Unicharm has obtained ISO 45001 certification, the international standard for occupational safety and health management systems, at 31.7% of its production sites across the globe (17.6% in Japan, 41.7% overseas).

Indicators and Targets

► Occupational Safety and Health Targets and Results

	Manufacturing Industry Average (Fiscal 2024)	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Fiscal 2026 Targets	Coverage
No. of violations of the Industrial Safety and Health Act	—	0	0	0	0	Unicharm Corporation employees
No. of fatal workplace accidents	—	0	0	0	0	
No. of workplace accidents resulting in inability to work*1	—	0	0	0	0	
Workplace accident frequency rate*2	1.30	0.22	0.00	0.00	Below industry average	
Workplace accident average severity rate*3	0.06	0.02	0.00	0.00		

*1 Workplace accidents resulting in inability to work: Permanent inability to work or undertake certain tasks

*2 Workplace accident frequency rate = Number of workplace accident occurrences ÷ Total number of working hours × 1 million hours

*3 Workplace accident average severity rate = Number of lost working days ÷ Total working hours × 1,000 hours

Initiatives and Results

Occupational Safety and Health Targets and Results

Every year, we aim for zero workplace accidents. We continue to promote a range of measures aimed at improving occupational safety and health, including visits to manufacturing floors by factory and production site managers. In fiscal 2025, there were zero cases of workplace accidents resulting in fatalities and the inability to work. Moreover, our workplace accident frequency rate was 0.00%, against an industry average of 1.30% in fiscal 2024, and our workplace accident average severity rate was also 0.00%, against an industry average of 0.06% in fiscal 2024.

Recognizing safety and health as a matter of utmost importance, and with the aim of creating a safe and comfortable workplace environment, the Company will continue to improve work environments and thoroughly enforce basic safety standards by strengthening safety measures through equipment inspections and other efforts. In addition, we will promote timely and appropriate safety measures such as preventive actions based on risk assessments and external evaluation by companies that specialize in safety crisis management.

Occupational Safety Risk Assessment

As a company that operates in various countries and regions, Unicharm maintains a risk management information website on its corporate intranet, which specifically provides information on risks that may impact the lives of employees around the world. The site specifies clear guidelines and criteria for responding to natural disasters, pandemics, occupational accidents, large-scale equipment accidents, kidnappings, intrusion into and damaging of company facilities, terrorism, riots, coups d'état, and civil wars. Regarding risks, the intranet is updated daily with information from the Ministry of Foreign Affairs of Japan (MOFA) and a risk management company contracted to provide such services. We carry out risk assessments by means of education, information dissemination, and monitoring of the work environment through providing information, alerts, business trip restrictions, and measures for dealing with serious injuries and illnesses.

In fiscal 2020, we carried out a risk assessment regarding COVID-19 infections to formulate our guidelines for dealing with COVID-19 so that each employee could take appropriate action. We also implemented infectious disease prevention measures and domestic and international business trip restrictions. In terms of production sites, we conducted risk assessments using safety diagnoses through a third-party organization.

In terms of promoting new businesses and projects in addition to existing ones, as needed, we also carry out risk assessments and monitoring that take into account the local laws, ambient environment, infrastructure, facilities, and so on. In order to further protect against disasters, we will also systematically move forward with risk assessments, revise work methods and improve facilities for eliminating and reducing risks, and thoroughly educate and train employees.

Eliminating Workplace Accidents

Having designated April 17 of each year as Unicharm Group Occupational Safety Day, we vow to eliminate workplace accidents through a Groupwide effort. We hold a safety convention with the participation of all production sites in Japan and overseas, where they pledge to eliminate occupational accidents toward the goal of achieving zero accidents and fires. In addition, it was declared that senior executives would take the initiative to create a “safe and comfortable workplace” based on the philosophy of “safety as an asset” and “safety taking precedence over all.”

Daily Safety Briefings (Malaysia)

Each day after morning exercise, Unicharm’s local subsidiary in Malaysia holds safety briefings led by office and factory managers. This briefing serves as a reminder for all employees and enhances their awareness of the importance of safety and accident prevention.

Alcohol Checks (Japan)

All sales division staff at Unicharm’s branch and sales offices in Japan are required to undergo alcohol checks prior to the operation of vehicles to ensure that they do not do so while under the influence of alcohol. The alcohol check management system we have implemented allows employees to check their blood alcohol levels via PC or smartphone even when driving directly to and from home, enabling managers to constantly monitor the status of alcohol checks.

Occupational Safety and Health Education and Training

Production Sites

Unicharm’s production sites provide training on occupational safety and health to employees before assignment to their respective departments or when changing roles. Specifically, leader training and special training programs mandated by law are conducted through external organizations, offering curricula that provide employees with the knowledge and practical skills

necessary for safety and health management, supervision, and on-site instruction. Moreover, depending on their position and workplace, employees receive education and training on the handling of machinery and equipment, raw materials, safety equipment, and devices for controlling hazardous materials.

► Occupational Safety and Health Education and Training

Targets	Details	No. of Participants in Fiscal 2025	Coverage
Newly appointed leaders	Education on occupational safety and health, including leader training, as required by law	15	Unicharm Products Co., Ltd.
Employees prior to changing roles	Education and training on occupational safety and health	83	
New employees before assignment to their respective departments	General education including on occupational safety and health	21	

Outside of Production Sites

In addition to production sites, we are working to eliminate occupational accidents at offices through workplace inspections and the checking of evacuation routes, firefighting equipment, and automated external defibrillator (AED) locations.

Selected as One of Vietnam 100 Best Places to Work for the Third Consecutive Year (Vietnam)

Unicharm’s local subsidiary in Vietnam was selected as one of Vietnam 100 Best Places to Work for the third year in a row, ranking 26th overall and 11th in the Consumer Goods category among large enterprises. Vietnam 100 Best Places to Work is a survey and awards program organized by Anphabe, a pioneering consultant in employer branding and the creation of pleasant work environments. The fiscal 2025 survey was conducted from April to July.

Prohibition of Child and Forced Labor

As clearly stipulated in the Unicharm Group Policy on Human Rights and the Unicharm Group Charter of Actions, we at Unicharm do not tolerate any form of child or forced labor. Unicharm’s factories are monitored on a regular basis using Sedex’s Self-Assessment Questionnaire (SAQ). In fiscal 2025, all 41 business sites (17 in Japan, 24 overseas) responded to the SAQ, confirming that there were no cases of child labor or forced labor.

P83 Human Rights Risk Assessment at Unicharm Group Factories

Dialogue Between Labor and Management 2-30

We place a great deal of value on mutual trust between labor and management and hold monthly discussions between the Company and labor union. In addition to these regular meetings, additional meetings are held depending on the nature of these discussions. In fiscal 2025, discussions focused on operational challenges following revisions to the human resource system and on firmly establishing our evaluation system. We will continue to enhance dialogue between labor and management with the aim of creating an even better workplace.

P90 Revising Our Human Resource System with a Focus on Management with Resonance

Selected as One of Top 50 Companies to Work for the Fifth Consecutive Year (Thailand)

For the fifth consecutive year, Unicharm’s local subsidiary in Thailand, Uni.Charm (Thailand) Co., Ltd. (UCT), was selected as one of the Top 50 Companies to Work by Work Venture, a human resources consulting firm in Thailand. This annual ranking is based on a survey of approximately 13,000 men and women between the ages of 22 and 35 who have worked in Thailand. UCT earned its fifth consecutive ranking in recognition of its supportive and collaborative workplace culture and emphasis on work-life balance that values the physical and mental well-being of its employees.

Supply Chain Management

Sustainable Procurement

2-24, 308-1, 308-2, 407-1, 408-1, 409-1

Our Basic Approach and Strategy

Unicharm established the Unicharm Group CSR Procurement Guidelines in 2009 for the purpose of maintaining fair and impartial relationships with all business partners. The guidelines incorporate provisions relating to compliance with laws and regulations, appropriate action regarding human rights issues, conservation of the natural environment, and product safety, such as the “abolition of child labor,” “elimination of discrimination,” and “promotion of measures against global warming” as stated in the UN Global Compact. Through mutual communication with business partners based on these guidelines, we shared Unicharm’s approach to responsible procurement and specific activities, and sought their understanding of our requests.

In October 2017, we revised the Unicharm Group CSR Procurement Guidelines and established the Basic Policy of Procurement to prevent human rights, labor, and environmental issues throughout the supply chain stemming from the global expansion of our business. At the same time, the Unicharm Group Sustainable Procurement Guidelines were established to accompany our Basic Policy of Procurement, declaring our intentions toward the prohibition of child labor, forced labor, and discrimination; the protection of the right to freedom of association and the right to collective bargaining; reductions in excessive working hours; compliance with minimum wage laws; consideration of safety and health; and the prevention of corruption. The Basic Policy of Procurement and the Unicharm Group Sustainable Procurement Guidelines stipulate that the Company shall take measures to ensure appropriate working hours by reducing the overtime work of its employees and complying with the working hours stipulated by the local laws and regulations in each country and region. In terms of wages, as a

matter of course our basic policy is to provide remuneration that exceeds the minimum wage stipulated by local laws and regulations, taking into account the payment of living wages.

However, laws and regulations on human rights, occupational safety, and workplace environment protection vary by country and region, as do public perceptions. Accordingly, we are strengthening efforts to gather information that is highly relevant to each country and region and adapt to their specific circumstances. We also promote procurement activities with priority on crisis management while working to promote understanding and awareness of our stance and approach to procurement, such as complying with the laws and social norms of each country and region and giving due consideration to human rights and labor conditions when engaging in new transactions and conducting ethical risk assessments. These efforts apply to all business partners in the countries and regions in which we do business. We will continue promoting initiatives in order to fulfill our social responsibilities throughout the supply chain.

Unicharm’s products and services are primarily consumables essential to a clean and healthy lifestyle. At the same time, our business is closely associated with the global environment in terms of the use of natural resources and the generation of waste. Therefore, our role in and responsibilities for reducing environmental impact are significant and continue to increase each year in line with the expansion of our business scale. The pulp and paper that form the absorbent material used in our disposable diapers and sanitary products are produced from coniferous trees while the palm oil added in small quantities to pet food is produced at tropical plantations. We value the importance of using sustainable certified materials for such forest-derived resources and, based on this belief, we formulated the Forest-Derived Raw Materials Procurement Guidelines in 2015.

► Basic Policy of Procurement

2-23

The Unicharm Group will make efforts to fulfill its corporate social responsibility and implement its fair and equitable corporate activities.

1. Compliance with Laws, Regulations, and Social Norms

- (1) Comply with related laws and regulations and social norms in purchasing activities.
- (2) Provide business partners with fair and equitable opportunities for competition in purchasing activities regardless of nationality, size, or track record.
- (3) Require business partners to implement appropriate management of information obtained in purchasing activities.

2. Due Consideration to Human Rights and Labor

- (1) Engage in purchasing activities with corporations that place importance on respect for human rights.
- (2) Engage in purchasing activities with corporations that give due consideration to the appropriateness of labor practices.
- (3) Respect the importance of engaging in purchasing activities with corporations that promote appropriate employment practices.

3. Environmental Responsibility

- (1) Value corporations that 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.

4. Procurement of Safe and Secure Products and Materials That Provide Peace of Mind

- (1) Choose products and materials for which safety has been confirmed in purchasing activities.
- (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.

5. Development of Relationships of Mutual Trust

- (1) Cultivate relationships of trust with business partners within the scope of social norms.
- (2) Strive to enhance business performance mutually through the exchange of essential information with business partners.

► Unicharm Group Sustainable Procurement Guidelines

These guidelines define the ethical standards that Unicharm wants all of its suppliers to adhere to in order to help realize sustainable procurement. We expect all of our suppliers to understand and comply with the intent of these guidelines.

1. Compliance with Laws and Social Imperatives

(1) Legal compliance

- Comply with laws and regulations (antitrust laws, personal information protection laws, subcontracting laws, etc.) as well as social imperatives related to individual country and region.

(2) Fairness in transactions and prohibition of bribery

- Comply with laws related to fair trading, fair trade, and antitrust.
- Prohibit all stakeholders from offering or accepting bribes (monetary or non-monetary benefits) and from abusing a superior bargaining position.

(3) Management and protection of information

- Comprehensively manage and protect confidential information and build a structure that prevents information leakage.
- Use suppliers' intellectual property rights only after concluding appropriate contracts and do not use them illegally.
- Properly handle personal information.

2. Consideration to Human Rights and Labor (Refer to the Unicharm Group Policy on Human Rights)

(1) Respecting of the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work

- Respect the International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights) and the ILO Declaration on Fundamental Principles and Rights at Work.

(2) Respecting of human rights

a. Prohibition of child labor

- Do not employ children who do not meet the minimum age requirement. (A child is defined as any person younger than 16 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling in which case the higher age requirement applies.)

b. Prohibition of forced labor

- Do not employ any form of forced or inhumane labor, hold a person in slavery or servitude, or engage in human trafficking.
- Employ only people who voluntarily wish to be employed and do not restrict their rights to freely leave their jobs.

c. Prohibition of discrimination

- In recruitment and employment, do not discriminate on the basis of race, national origin, ethnicity, gender, religion, or physical impairment, etc.

(3) Prohibition of inhumane treatment

- Respect the human rights of employees and do not subject them to inhumane treatment such as physical abuse, physical punishment, harassment, physical oppression, or sexual abuse.

(4) Fair employment

a. Working hours

- Comply with working hours set by the local laws and regulations of the individual country and region (excluding crises and emergency situations).

b. Proper compensation

- Pay employees in compliance with local compensation-related laws and regulations on minimum wage, overtime work, and piecework pay, etc.
- For overtime work, pay a wage premium in accordance with local laws and regulations of the individual country and region.

c. Ensuring of safety and health

- Clearly identify potentially dangerous locations related to work and take preventive actions and implement workplace safety measures.
- To prepare for emergencies, take steps such as confirming the reporting requirements in the event of an emergency, establishing rules for notifying employees, and installing fire detectors.

d. Respecting of freedom of unionization and the right to collective bargaining

- Do not, in any way, obstruct employees' right to form a labor union using legal and peaceful means in accordance with applicable laws.

3. Responsibility to the Environment

(1) Environmental conservation

a. Legal compliance

- Comply with environment-related laws and regulations of the individual country and region.
- In accordance with local laws and regulations, submit the required administrative reports when necessary and retain records.

b. Control of substances that are harmful to the environment

- Control discharge of harmful substances that can cause air pollution and water quality degradation, etc.
- Control discharge of harmful substances that can cause soil contamination.
- Control discharge of waste generated during manufacturing, product usage, and end-of-life disposal.

c. Promotion of resource conservation and recycling

- Strive to conserve resources, manage waste, and promote recycling.
- Improve usage efficiency of energy (such as electricity and fuel).
- Strive to consume sustainable resources such as alternative energy sources.

d. Promotion of global warming countermeasures

- Identify substances that contribute to global warming, assess their emissions, and retain records.
- Control discharge of substances that contribute to global warming.
- (2) Promotion of procurement of sustainable raw materials (refer to the Forest-Derived Raw Materials Procurement Guidelines)
- Prohibit use of illegally logged lumber.
- Do not consume natural resource-derived raw materials such as lumber and water excessively but utilize resources in step with the recycling speed at which nature recovers.

4. Procurement of Safe and Secure Products and Materials

(Refer to the Unicharm Group Materials Safety Guidelines)

(1) Supplying of safe materials

- Report component composition, including the content of chemical substances deemed harmful by the Unicharm Group.
- (2) Supplying of materials that are high in quality and for which the supplier has a large supply capacity
- Submit safety data sheets (SDSs) for materials.

P.80 Unicharm Group Policy on Human Rights

► Forest-Derived Raw Materials Procurement Guidelines

P.47 Forest-Derived Raw Materials Procurement Guidelines

Management Structure

To establish and implement appropriate labor standards throughout the supply chain and to pay due consideration and contribute to the safety and health of employees, the ESG Division and the heads of the Purchase R&D Department in the Global R&D Division, which manages relationships with material suppliers and contract manufacturers, the Trinity Promotion Department, and the Strategic Sourcing Department of Unicharm Products Co., Ltd., meet to discuss and determine the areas of foremost priority and specific courses of action while monitoring the progress of ongoing measures and seeking solutions to various issues.

In addition, the ESG Committee, chaired by the president & CEO, reports on the policies and progress of measures to resolve social issues related to the supply chain and of environmental activities on a regular basis, reviewing our plans as necessary.

P.8 Sustainability Promotion System

Effective Use of Global Platform

At Unicharm, we utilize the Sedex* platform to manage our response to social and environmental issues along the supply chain. Our material suppliers and contract manufacturers are requested to become members of Sedex and acknowledge their relationship with Unicharm on the Sedex platform. The information acquired by means of the Sedex platform is used to enhance our decision-making and progress management capabilities.

In fiscal 2025, we requested the cooperation of Sedex member suppliers on the completion of the Self-Assessment Questionnaire (SAQ). We also continued to participate in the Japanese Cosmetics & Personal Care Products Industry Buyer Members Sedex Working Team—which was introduced to efficiently promote responsible procurement, including human rights due diligence—using supplier evaluation information provided via the Sedex platform, which we have utilized since fiscal 2023.

web Sedex corporate website
<https://www.sedex.com/>

Sedex | Member

* A global membership organization leading in responsible sourcing practices, Sedex provides companies with technology and insight to build a responsible business and supply chain, including the world's largest platform for sharing supply chain data on labor standards, safety and health, the environment, and business ethics. Over 95,000 business members in 180 countries and regions use Sedex solutions to manage supply chain risk, meet compliance requirements, and demonstrate measurable impact.

Indicators and Targets

► Kyo-sei Life Vision 2035: Safeguarding the Well-Being of Society

Indicator	Target	Target Year
No. of serious human rights violations in the value chain	Zero	Every year

Initiatives and Results

412-1,412-3

Human Rights Risk Assessments of Supplier Factories

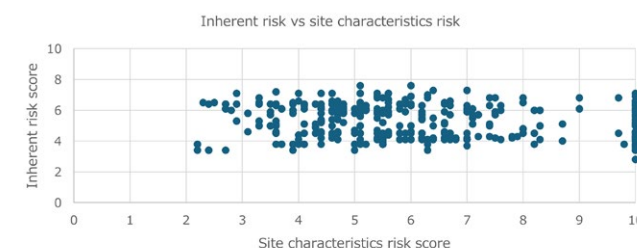
Unicharm conducts risk assessments of supplier factories using Sedex's risk assessment tool, and in fiscal 2025, assessed risks based on the SAQs completed by Sedex-member suppliers.

As of December 31, 2025, we have reached an agreement with approximately 51.6% of material suppliers of personal care and pet care products and contract manufacturers of personal care and pet care products for use of the Sedex platform, enabling access to risk-related information. Of these factories, 45.7% have consented to sharing their inherent risk score while 45.3% have consented to sharing their site characteristics risk score. Using these scores as a reference point, we will continue to consider our approach to suppliers.

► Human Rights Risk Assessment Results in Fiscal 2025

		Percentage of Suppliers Using the Sedex Platform (%)	Percentage of Suppliers Sharing Inherent Risk Score (%)	Percentage of Suppliers Sharing Site Characteristics Risk Score (%)
Personal care products	Material suppliers	69.9	54.2	54.2
	Contract manufacturers	80.0	58.0	56.8
Pet care products	Material suppliers	26.8	23.7	22.8
	Contract manufacturers	64.7	58.3	58.3
Total		51.6	45.7	45.3

► Risk Score of Supplier Factories



Note: Simple averages of risk scores on labor standards and on safety and health have been plotted above.

Human Rights Risk Assessment at Unicharm Group Factories

P.83 Human Rights Risk Assessment at Unicharm Group Factories

Supplier Monitoring 414-2

We monitor our suppliers using SMETA audit*¹ results obtained through the Sedex platform. From the 97 audits conducted in fiscal 2025, we identified 302 cases of non-compliances. These non-compliances are classified into four severity levels—Business Critical, Critical, Major, and Minor—in accordance with Sedex’s “SMETA Non-Compliance Guidance.” For non-compliances classified as either Business Critical or Critical that have yet to be amended three months after the date of audit, we contact the supplier to verify the status and course of action toward improvement. In fiscal 2025, of the 52 cases classified as Critical, 18 non-compliances (six suppliers) that were not yet confirmed as amended within three months were discussed with the suppliers in question to confirm the corrective action plan.

*1 A social auditing methodology developed by Sedex that enables businesses to assess their sites and suppliers to understand working conditions in their supply chain across the areas of labor standards, safety and health, the environment, and business ethics

► Supplier Audits: No. of Audits and Evaluations

		Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results
No. of audits		26	79	97
No. of non-compliances identified	Business Critical	1	0	0
	Critical	32	44	52
	Major	111	127	185
	Minor	44	50	65
	Total	188	221	302

Monitoring of Unicharm Group Factories 414-1

P.83 Audits of Unicharm Group Factories

Eliminating and Mitigating Risks 414-1

New Suppliers

When engaging in business with new suppliers, Unicharm presents and requests compliance with the Unicharm Group Policy on Human Rights and the Unicharm Group Sustainable Procurement Guidelines. New suppliers are also asked to become a member of Sedex and acknowledge their relationship with Unicharm on the Sedex platform. We review risk scores related to labor standards and occupational safety and health, including SAQ responses, and if any serious issues are found, they will be taken into consideration when deciding whether to engage in business with suppliers.

Existing Suppliers

If a serious issue is found when monitoring the activities of existing suppliers, we hold discussions with them while seeking solutions toward improvement. We also hold the Unicharm Medium- to Long-Term Policy Briefing Session for Suppliers each year. At the fiscal 2025 briefing, we explained our environmental, responsible procurement, and quality management policies based on Kyo-sei Life Vision 2035 and requested suppliers’ cooperation in strengthening business continuity planning (BCP) across the supply chain, implementing human rights due diligence, and reducing quality-related risks.

Education and Training on the Risks of and Measures Against Modern Slavery (Australia)

Unicharm’s local subsidiary in Australia conducts ongoing education and training on the risks of and measures against modern slavery.*² The company focuses on its downstream materials suppliers, distributors, retailers, and other business partners to raise awareness of human rights throughout its supply network.

*2 Forms or acts of bonded labor, forced labor, human trafficking, etc., in which people are forced into slavery and servitude

P.82 Human Rights Initiatives in Australia

Global Communication with Suppliers

Unicharm works with suppliers to engage in improvement activities on a wide range of materials-related themes through meetings between local subsidiaries and the suppliers of each country and region. We hold briefing sessions on procurement themes at distribution warehouses and supplier factories to distribute copies of the Unicharm Group Sustainable Procurement Guidelines, which have been made available in various languages, and explain the purpose of the guidelines so as to ensure the communication necessary for realizing a sustainable society through the efforts of the entire supply chain.

Medium- to Long-Term Policy Briefing Session for Suppliers

In November 2025, we held the 16th Unicharm Medium- to Long-Term Policy Briefing Session for Suppliers with the aim of stabilizing material quality and disseminating our procurement policies and guidelines. The 2025 event, which was also streamed online, was attended by 353 participants from 120 companies, including material suppliers for personal care products, as well as material suppliers for pet care products and external production contractors. The aim of this briefing session was to enhance awareness of our various policies, including the Unicharm Group Basic Environmental Policy, the Unicharm Group Policy on Human Rights, and the Basic Policy of Procurement. In addition, we requested supplier cooperation by reporting, explaining, and ensuring understanding of the specific goals and initiatives of our newly established Kyo-sei Life Vision 2035 and quality control and other efforts aimed at improving customer satisfaction through the supply of safe products.

P.78 Quality Management Initiatives in Manufacturing

Education for Internal Personnel

In order to promote sustainable procurement, it is essential that everyone involved understands the basic policies and guidelines for building a sustainable supply chain. We therefore educate personnel at our factories about the necessity of sustainable procurement initiatives and the importance of building a sustainable supply chain. In fiscal 2025, we conducted training for our procurement personnel to enable them to complete Sedex's environmental SAQ.

Initiatives to Improve Quality of Materials

Based on the importance of ensuring consistent material quality, which forms the basis of product safety and reliability, we work closely with suppliers to improve the quality of materials in a timely manner.

1. Conducting extensive quality audits, including on-site management, and implementing a PDCA cycle

We conduct quality audits regularly for all processes from raw materials procurement through to delivery. In fiscal 2025, we also began conducting audits of on-site management systems. If an item is discovered to be non-compliant, we will request immediate corrective action be taken and continue to monitor progress until improvements have been fully made. By consistently implementing the PDCA cycle in this way, we strive to continuously improve the quality of materials used in our products.

2. Expanding our Quality Control Policy and the scope of material quality management

At the 16th Unicharm Medium- to Long-Term Policy Briefing Session for Suppliers, we announced our intention to expand the scope of compliance with our Quality Control Policy to cover moderate defects, in addition to critical and major defects. We also requested reinforcement of the guidance and intervention systems by supervisors in the event of rule deviations on manufacturing sites, as well as quality assurance extending to the final stage of material delivery (last-mile delivery).

Going forward, we will continue to solidify our foundation for material quality management based on strong relationships of trust with suppliers.

Household Goods Supply Chain Council

In May 2024, Unicharm Corporation established the Household Goods Supply Chain Council in cooperation with 13 industry peers, believing that social issues related to product supply and distribution, such as labor shortages and soaring energy and labor costs, must be addressed by the household goods industry as a whole through the cooperation of each manufacturer. The council ensures the continuous stable supply of daily necessities essential to life by collaborating and cooperating with distributors and logistics operators to realize a sustainable and highly productive daily necessities supply chain. At the same time, it aims to contribute to the resolution of social issues related to logistics. Furthermore, to promote the seamless sharing of logistics data, we will work with adjacent industries to serve as a point of contact for the household goods industry by coordinating with the government's initiatives to realize the Physical Internet* while utilizing the Logistics Electronic Data Interchange (EDI) provided by PLANET, INC.

* A joint transport and delivery system in which the concept of internet communications is applied to logistics (physical distribution), and cargo packed in standardized containers is transported and delivered via a network of shared logistics assets (including warehouses and trucks) belonging to multiple companies

P.70 Streamlining Logistics Operations Using Logistics EDI

Declaration of Partnership Building

Unicharm announced its Declaration of Partnership Building to build new partnerships by advancing cooperation, coexistence, and co-prosperity with supply chain partners and businesses that create value.



web Unicharm Corporation Declaration of Partnership Building (in Japanese only)

<https://www.biz-partnership.jp/declaration/145523-05-06-tokyo.pdf>

Responsible Procurement Initiatives Geared to Conserving Biodiversity and the Natural Environment

We view the diminishing supply of forest-derived resources (including pulp, paper, and palm oil) stemming from forest destruction and water resource depletion along the upstream process as a risk to the Company. In light of this, Unicharm is promoting supply chain management that takes into account biodiversity and natural environment conservation, with the aim of building a sustainable society. Specifically, we established the Forest-Derived Raw Materials Procurement Guidelines in 2015 and the Unicharm Group Sustainable Procurement Guidelines in 2017 in an effort to reduce risks by requesting the understanding and cooperation of suppliers.

On the other hand, we view it as an opportunity to source resources with low CO₂ emissions and high energy efficiency, reduce environmental impact and costs through waste reduction and the use of recycled materials, and promote sales by marketing them as environmentally friendly products. We will continue to step up recycling efforts in-house as well as expand initiatives that lead to more efficient resource utilization and resource circulation across society as a whole.

Procurement of Sustainable Pulp and Paper

P.48 Expanding the Use of Certified Pulp (PEFC- and CoC-Certified)

Procurement of Sustainable Palm Oil

P.51 Procuring Sustainable Palm Oil

Procurement of Sustainable Seafood (United States)

The supplier of *Delectables* cat treats uses 100% “Dolphin-Safe certified” ingredients.

The dolphin-safe certification is a certification system based on U.S. law certifying that the tuna and skipjack tuna used as ingredients in canned food were caught without harming any dolphins. A product may display the “Dolphin Safe” label if all of its raw materials meet the “Dolphin Safe” standards.

Communities

Social Contribution Activities

203-1,203-2,413-1

Our Basic Approach and Strategy

Unicharm's approach to management is one in which it contributes to the betterment of society through its business activities. Specifically, we address various social issues by providing products and services that are tailored to the characteristics of the countries and regions in which we operate. We also strive to be a corporate citizen that provides products and services essential to the lives of the people in these communities.

► Policy on Social Contribution Activities

At Unicharm, we recognize the importance of coexisting with local communities through our business activities. Therefore, in resolving issues, we place particular emphasis on the countries and regions in which we operate and the areas in which we have fostered deep connections through our business activities.

Key Areas of Social Contribution Activities

- Health
- Regional contributions
- Support for disaster-affected areas

Management Structure

In Japan, Unicharm's various divisions and Group companies develop social contribution activities on their own initiative. In countries and regions outside of Japan, local subsidiaries take the lead in developing business operations and social contribution activities that are specifically catered to each community. Policy decisions for the Group as a whole are discussed and made by the ESG Committee, which is chaired by the president & CEO.

Spending on Social Contribution Activities

In fiscal 2025, Unicharm spent a total of ¥222.0 million on social contribution activities, of which ¥83.0 million was in the form of donations.

To generate synergies between the achievement of the Sustainable Development Goals (SDGs) and the revitalization of local communities, Unicharm endorses the SDGs for Regional Revitalization Public-Private Partnership Platform, which was established as a forum for public-private partnerships that work to strengthen ties with a wide range of stakeholders.

地方創生 SDGs
官民連携
プラットフォーム

Unicharm is a member of the Japan National Chapter of the Unstereotype Alliance, a global initiative led by UN Women to promote gender equality and eliminate harmful gender stereotypes through the use of media and advertising.



Initiatives and Results

Sofy Wellness Habits Starting with Menstruation Project (Hearth)

Under the vision of making menstruation the starting point for new health literacy, Unicharm Corporation has launched the Sofy Wellness Habits Starting with Menstruation Project, which views menstruation as an entry point to health management. Using menstrual blood as a valuable source of health-related information and visualizing often overlooked health issues, the project proposes new habits that lead to proper care.

The first theme of the project is fatigue care. A survey conducted by Unicharm Corporation found that approximately 80%*¹ of women experience daily fatigue, of whom only about 20% regard iron deficiency as a possible cause. In response, Unicharm Corporation launched its limited edition *Sofy Kit for Checking Iron Deficiency Using Menstrual Blood*, incorporating Japan's first-of-its-kind technology*² that allows users to check for the possibility of iron deficiency using menstrual blood.

*¹ Total percentage of women who responded "often" or "sometimes" to the survey

*² A structure consisting of a top sheet and an immunochromatographic method-based tester capable of detecting the concentration of iron storage indicators in menstrual blood, along with a hydrophilic sheet. Based on research conducted by Unicharm in October 2025 for major sanitary pad and panty liner products in Japan

More Choices for Fertility Journeys Project (Health)

Unicharm Corporation aims to create a society in which everyone, regardless of gender or age, has the opportunity to acquire accurate knowledge about "fertility-related activities,"*³ enabling them to broaden the range of choices according to their circumstances. As part of this effort, we launched the More Choices for Fertility Journeys Project in April 2025 to provide opportunities to learn about the variety of options for these activities. Working alongside companies and local governments that support this project, we promote proper awareness of fertility by organizing programs such as "Starting with Awareness: Fertility Education for All." In fiscal 2025, the program was held in collaboration with Panasonic Connect Co., Ltd. and Future Design Shibuya General Incorporated Association.

*³ 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

Fostering Better Workplace and Learning Environments

Through the Provision of Sanitary Pads

In addition to the development, manufacture, and sale of products and services, Unicharm is committed to creating comfortable workplace and learning environments in which everyone can access sanitary pads.

From October to December 2025, Unicharm Corporation collaborated with Shibuya Ward in Tokyo and Future Design Shibuya General Incorporated Association to conduct a pilot project installing sanitary pad dispensers in 22 public facilities throughout the ward. This initiative aimed to establish a safe and hygienic system for providing sanitary pads in public spaces while promoting awareness of social issues such as period poverty.

In October 2025, we introduced a new service, *DOKODEMO SOFY*, aiming to create an environment where everyone can access sanitary pads whenever needed. Two types of dispensers—*School Sofy* for educational institutions and *Office Sofy* for businesses—were provided free of charge* to help improve the environment in educational settings and workplaces. As of the end of December 2025, these dispensers were installed at 71 facilities, including 67 schools and four companies.

Also, in November 2025 Unicharm Corporation began partnering with the University of Osaka's Menstrual Wellbeing by/in Social Design (MeW) Project and Nippon Calmic Ltd. to provide starter kits containing MeW dispensers and *Sofy SPORTS with Wings* sanitary pads to schools and other facilities free of charge, as part of the *DOKODEMO SOFY* service.

* Refill pads are provided for a fee. The service is subject to change or discontinuance without notice.

Education on Menarche and Menstruation (Health)

Unicharm provides menarche and menstrual education programs, primarily in Asia, to raise awareness among adolescent girls about basic menstrual knowledge, how to live more comfortably during menstruation, and certain things to keep in mind to lead a healthy and hygienic life.

In 2013, Unicharm's local subsidiary in India launched the educational project "Managing Menstruation—My Pride" in cooperation with local non-government agencies (NGOs) to

educate students on the mechanisms of and proper care in managing menstruation. Approximately 770,000 students have taken part in this project over the 13 years that have followed. The project aims to help women learn about the menstrual cycle and how to manage it, enabling them to experience menstruation in a comfortable and healthy manner. In fiscal 2025, in addition to support programs for female students, we provided education on adolescence-related changes and menstrual

hygiene to approximately 30,000 male students. By fostering proper understanding of menstruation, regardless of gender, we work to eliminate menstrual stigma and create environments where people empathize with one another.

We also continue to raise awareness of menstruation in Japan, China, Taiwan—Greater China, Indonesia, Myanmar, Vietnam, Thailand, and Egypt through information on websites, educational materials, and the provision of sanitary product samples.

► Initiatives to Raise Awareness of Menarche and Menstruation Worldwide (Fiscal 2025 Results)

Fiscal 2025 Results and Initiatives	
India	- Conducted educational programs on menarche and menstruation (including online lectures) for approximately 119,000 students at 1,679 schools - Held 35 educational sessions for approximately 900 mother–daughter pairs - Collaborated with UNIQLO India Private Limited to distribute 5,000 sanitary product kits as part of a joint initiative to promote personal hygiene among schoolchildren
Japan	- Provided information on menarche via <i>Sofy First Body Navi</i> and <i>Let's Talk Together! Sofy Classroom: Exploring the Human Body</i> websites (in Japanese only) web https://jp.sofygirls.com/ja/home.html web https://classroom.sofy.jp/ - Distributed approximately 506,000 menarche education kits containing an educational booklet and sanitary pads to 9,107 elementary and junior high schools
China	- In our fifth year of continued support, provided sanitary product samples and the booklet <i>First Body Navi</i> to approximately 245 junior high school girls at two schools in Ningxia - In collaboration with China Children and Teenagers' Fund, donated 411 cases of Girls' Growth Box containing booklets of <i>First Body Navi</i> and sanitary pads to girls who have been left behind in rural areas of Henan Province
Taiwan—Greater China	- Provided information via websites - Through the Team Girls! Awareness Program for Schools, introduced in May 2025, promoted menarche education and provided educational materials to elementary and junior high schools. In September, conducted a menarche education program for approximately 600 fifth-grade students at Xiulang Elementary School, one of the largest elementary schools in Taiwan—Greater China
Indonesia	- Disseminated information on <i>power CHARM girls</i>, a website on menarche education with 87,200 registered users (as of December 31, 2025) (in Malay only) web https://www.powercharmgirls.com/ - Provided information on menstruation, ways to manage menstruation, and women's health on the <i>CHARM</i> official website, Instagram, and other social media platforms - In collaboration with NGO Yayasan Lentera Anak, conducted education programs on reproductive health and menstrual hygiene management for over 300 students at four elementary and junior high schools in the West Java cities of Bekasi and Depok - In August 2025, Stay Charming Everyday, a talk show to promote proper understanding of menstruation and women's empowerment, was held at an Islamic high school in Karawang Regency, West Java Province, in conjunction with International Youth Day. Through the exchange of views with experts and employees, the initiative aimed to foster environments that allow female students to confidently achieve their potential.
Myanmar	Conducted menarche education program for 60,430 students at 203 schools
Vietnam	In cooperation with the Ministry of Health's Maternal and Child Health Department, established <i>Girls' Corners</i> (with sanitary pads and educational materials) in the nurse's office of 16 junior high schools in Can Tho and conducted workshops on menstrual hygiene and violence prevention for approximately 8,000 female students
Thailand	- Distributed educational content on menarche through the <i>SOFY</i> brand website (in Thai only) web https://th.sofyclub.com/th/advice/howtocare/Sofygirlguidebook.html - Conducted awareness-raising activities on personal care during menstruation with 347 female students across four schools
Egypt	Distributed sanitary product samples to approximately 70,000 female students at university campuses

Pink Ribbon Activities (Health)

The Pink Ribbon Activities are a global awareness initiative aimed at promoting proper understanding of breast cancer and early detection and appropriate treatment.

In Japan, Unicharm Corporation has supported Pink Ribbon Activities since 2008. In fiscal 2025, our 18th year of involvement, we continued to provide information and enable visitors to acquire basic knowledge on breast cancer through our *Sofy Pink Ribbon* dedicated website. In conjunction with this initiative, Unicharm Corporation released limited edition versions of the product *Sofy Body Fit* in specially designed Pink Ribbon packaging and donated a portion of the proceeds to help fight breast cancer. Moreover, as an early prevention measure for breast cancer, Unicharm Corporation covers the full cost of breast cancer screenings for all female employees. Furthermore, we designate October each year as Pink Ribbon Month, providing opportunities for employees to think about breast cancer with family members, coworkers, and others who are close to them.



Unicharm's local subsidiary in Indonesia has been working together with the Indonesian Breast Cancer Foundation (YKPI) since 2021 to promote proper understanding of breast cancer and increased breast cancer screenings. In fiscal 2025, the fifth year of this initiative, awareness-raising activities were held during breast cancer awareness month (Pink Ribbon Month) in October under the slogan "Ayo SADARI Setelah Menstruasi (Let's Self-Check After Menstruation)" to encourage female students to check their breasts on a regular basis. Information sessions on breast self-checks were held for more than 1,000 female university students in Jakarta, bringing the total number of participants over the five years to more than 15,000. Furthermore, awareness logos are displayed on product packaging to encourage regular self-checks, as part of efforts to promote early detection by raising awareness and establishing routines.

Unicharm's local subsidiary in Taiwan–Greater China sponsored the Pink Ribbon Walk, providing 3,000 packs of *SOFY Natural Organic Cotton* sanitary pads to those who finished the walk, in which a total of 58 employees and their family members participated.

[web Sofy Pink Ribbon \(Japan\) \(in Japanese only\)](https://www.sofy.jp/ja/campaign/pinkribbon.html)

<https://www.sofy.jp/ja/campaign/pinkribbon.html>

Educational Activities Regarding Dengue Fever (Health)

To raise awareness of dengue fever prevention, the Association of Southeast Asian Nations (ASEAN) has designated June 15 as ASEAN Dengue Day, on which educational activities and prevention campaigns will be held throughout the ASEAN region.

Unicharm's local subsidiary in Vietnam collaborated with medical centers and the local Red Cross to hold ASEAN Dengue Prevention Day in June 2025, to raise preventive awareness ahead of the peak dengue season. In its second year of activity, approximately 250 employees gathered at Binh Chieu Industrial Park to remove waste, stagnant water, and vegetation to thoroughly prevent the breeding of dengue-carrying mosquitoes. In addition, we donated 15,000 packs of *Bobby ANTIMOS Wipes*, wet sheet-type insect repellent wipes containing mosquito-repelling ingredients, to the Ministry of Health's Maternal and Child Health Department. By collaborating with local communities, Unicharm is committed to creating environments that protect residents from dengue fever.

In Malaysia, employees of our local subsidiary carried out cleanup activities with local residents to prevent the breeding of dengue-carrying mosquitoes and distributed 1,500 packs of *MamyPoko ANTIMOS Pants* mosquito-repellent disposable baby diapers to low-income households.



Meanwhile, in Taiwan–Greater China, we partnered with Nan Liu Enterprise Co., Ltd., a contract manufacturer of wet wipes, to donate 20,000 packs of *MamyPoko ANTIMOS Wipes for Kids* to New Taipei City and Kaohsiung City each in September 2025 to help prevent dengue fever and other infectious diseases following heavy rainfall.

Furthermore, at Unicharm's local subsidiary in Brazil, 350 employees participated in efforts to patrol surrounding communities to help prevent the spread of dengue fever.

Supporting the Financial Independence of Women (Regional Contributions)

In fiscal 2021, our subsidiary in India, Unicharm India Private Limited (UCLa), collaborated with PURE India Trust, a local NGO, to launch Project Jagriti* in support of women living in rural areas of the country. Along with raising awareness about the use of sanitary pads, the project aims to provide women in India's rural areas with employment through opportunities to engage in the sale of *SOFY* sanitary pads, thereby promoting their financial independence. These female entrepreneurs, referred to as "*SOFY* Ambassadors," are responsible for not only selling *SOFY* products but also promoting proper knowledge about menstruation. In the five years since this project was launched, UCLa has supported a total of 330 women, and these entrepreneurs have been able to earn continuous income through this project.

In fiscal 2025, a total of 277 awareness-raising sessions were conducted by *SOFY* Ambassadors for women in rural areas, in which 12,260 people participated, including young girls. By providing basic knowledge about menstruation and the proper use of sanitary pads, these sessions contribute to improved menstrual hygiene practices.



* Jagriti means "awakening" in Hindi.

Received the Woman Empowerment Award at Rotary CSR Awards 2025 (India)

In April 2025, Unicharm's local subsidiary in India received the Woman Empowerment Award in the Mega Enterprise category at the Rotary CSR Awards 2025, hosted by Rotary International, District 3131 (Pune). The award recognizes our multifaceted efforts to promote the economic independence of women, improve health, and raise hygiene awareness, including support for female entrepreneurs in rural areas and implementing menarche education programs at schools and other educational institutions. These efforts were recognized for encouraging positive changes in attitudes and greater social participation among women in local communities.

Manufacture and Sale of Sanitary Pads in Kenya (Regional Contributions)

In cooperation with Toyota Tsusho Corporation and its group company CFAO Kenya Limited, Unicharm Corporation has been producing and selling *SOFY Long Lasting* sanitary pads in Kenya since January 2025. Through this initiative, we aim to contribute to the social advancement of women by enabling people living in Africa to purchase hygienic sanitary pads “anytime, anywhere, by anyone, when they need them.”

Going forward, we will continue to strengthen our framework for local production and sales to foster an environment in which menstrual care products can be used by more women with peace of mind.



GO WITH YOUR DOG Project (Regional Contributions)

Since fiscal 2022, Unicharm Corporation has been promoting the GO WITH YOUR DOG Project to provide more places and time for people to safely enjoy outings with their dogs. In April and October of 2025, we held the “Manner Up” Campaign in cooperation with Mitsui Fudosan Retail Management Co., Ltd. (Mitsui Outlet Park) and Three Arrows Incorporated (PET THREE), where customers enjoyed shopping together with their dogs wearing our *Manner Wear* diapers. At designated venues within the facility, we handed out *Manner Wear* diapers and assisted customers in putting them on their dogs, promoting a life with dogs that emphasizes good manners.



web GO WITH YOUR DOG Project (in Japanese only)

<https://jp.unicharmpet.com/ja/manner-wear/gowithwanco/home.html>

Hartz Loving Paws Program (Regional Contributions)

Unicharm’s local subsidiary in the United States, The Hartz Mountain Corporation (Hartz), conducts the Hartz Loving Paws Program, which aims to realize a society where people and pets can coexist happily by supporting animal shelters, finding permanent homes, and collaborating with foster homes for rescued pets. In fiscal 2025, through partnerships with animal welfare organizations, Hartz supported events in cities including Philadelphia and Los Angeles and donated its own cat treats. It also sponsored long-distance airlifts for rescued dogs, rescuing 24 dogs from South Carolina and transporting them to rescue bases in northeastern United States, where they connected with their new families. Hartz is also focusing on awareness campaigns for pets that are more difficult to place in adoptive homes and working to increase the adoption of rescued animals and improve their quality of life.



web Hartz Loving Paws

<https://www.hartz.com/hartz-loving-paws/>

Matching Fund (Support for Disaster-Affected Areas)

We are continuing our “Super Cool Biz and Warm Biz” activities,* which combine reducing environmental impact through everyday power-saving and energy-saving measures with a matching fund aimed at supporting areas affected by the Great East Japan Earthquake that occurred in 2011. Over the past 15 years, a total of 34,351 employees have participated in these activities.

* An employee participation initiative that provides donations equivalent to the amount paid by employees to purchase original articles of clothing and other items, including polo shirts and jumpers that can be worn at work

► Key Social Contribution Activities in Fiscal 2025

Health

Support for Medical Institutions, Welfare Facilities, and Other Healthcare Facilities

- Indonesia: Employees visited a childcare facility for children with disabilities, donating IDR19,000,000 and relief supplies worth approximately IDR15,000,000, as part of an ongoing initiative conducted for the 22nd time
- Indonesia: Held a blood drive with 124 employee participants, in cooperation with the Purwakarta branch of the Indonesian Red Cross
- Malaysia: Held Blood Donation and Health Campaign 2025, with 53 employees and suppliers donating blood
- Malaysia: Twenty-five employees visited an elderly care facility to celebrate the Lunar New Year and donated relief supplies
- Malaysia: Five employees visited a children's home and interacted with children through activities such as T-shirt making
- Vietnam: Held Blood Donation Day in cooperation with the National Institute of Hematology and Blood Transfusion, with 88 employees participating and donating 27,450 ml of blood
- Taiwan–Greater China: Conducted an internal fundraising campaign to support elderly people living alone in remote areas, donating funds totaling TWD728,000
- Taiwan–Greater China: Donated goods to social welfare organizations
- Australia: Four employees participated in the charity run Run for the Kids in Melbourne as part of the Royal Children's Hospital's fundraising activity
- Australia: Three employees participated in the charity run Carman's Fun Run in support of breast and ovarian cancer research
- Australia: Held the tea party event Australia's Biggest Morning Tea to support the Cancer Council, raising and donating AUD\$177
- Australia: Donated disposable baby diapers to charitable organizations as part of Reduce, Reuse, Recycle Day
- Brazil: Partnered with a waste management company to exchange bottle caps collected by employees for wheelchairs, donating two wheelchairs to a local nursing home
- Japan: Donated six care lifts to the Sapporo Social Welfare Council in cooperation with Tsuruha Holdings Inc.

Support for Pink Ribbon Activities

P.113 Pink Ribbon Activities (Health)

Menarche and Menstrual Education

- Countries and regions: Held classes on menarche and menstruation
- P.112** Education on Menarche and Menstruation (Health)
- Vietnam: Signed a memorandum of cooperation with the Vietnam Women's Union (VWU) to support over 100,000 female students
- India: Conducted 71 menstrual health awareness sessions throughout local communities in cooperation with the Pinkishe Foundation, in which 4,713 people participated

Continenence Care Education

- Japan: Held 21 seminars on incontinence and continence care in cooperation with educational institutions, with 1,297 participants
- Taiwan–Greater China: Conducted a special lecture at a seminar hosted by the Taiwan Continence Society, sharing concepts and practical knowledge on continence care
- Taiwan–Greater China: Distributed samples of *Lifree* disposable adult diapers during the Baishatun Mazu Pilgrimage
- Thailand: Organized educational activities for bedridden patients and caregivers on the proper use of disposable adult diapers in communities near our factory

Support for Pets

- Supported animal shelters and permanent homes through the Hartz Loving Paws Program
- P.114** Hartz Loving Paws Program (Regional Contributions)
- Japan: Promoted the GO WITH YOUR DOG Project
- P.114** GO WITH YOUR DOG Project (Regional Contributions)
- Japan: Supported Reading with Dogs Activities as promoted by the Japanese Animal Hospital Association (JAHA), where children read aloud to therapy dogs while learning how to properly interact with dogs, contributing to the growth of children through reading
- Japan: Supported the activities of the Christel Vie Ensemble Foundation, helping achieve its aim of realizing a society where people and animals coexist in harmony
- Japan: Supported the activities of the Japanese Animal Hospital Association (JAHA)
- Japan: Launched the Unicharm Pet Official Shop on TikTok Shop and conducted a limited-time campaign, donating a portion of sales to animal welfare organizations
- South Korea: Supported the Korean Organization for the Protection of Cats' stray cat sheltering activities and donated 14,000 pet care products
- China: Donated pet care products to an NGO that rescues dogs and cats

Regional Contributions

Support for Childcare

- Indonesia: Exhibited at five maternal and child health support stations of Indonesian Midwives Association and distributed disposable baby diaper samples
- Indonesia: Conducted awareness program on the proper selection of disposable baby diapers and provided integrated maternal and child health services for pregnant women, breastfeeding mothers, and mothers with infants at the AS SYAKUR Midwife Clinic in Citeureup, Bogor Regency, West Java in cooperation with the Indonesian Midwives Association
- South Korea: Donated sanitary pads and disposable baby diapers to an organization supporting single-parent families
- Thailand: Supported Children's Day events at three schools on the second Saturday of January, with 1,595 children participating
- Australia: Sponsored the charity walk Miracle Moon Walk to support premature babies, babies with illnesses, and their families
- Japan: Provided diapers to parents of newborn babies in Kakegawa City (Shizuoka Prefecture) and Shibushi City and Osaki Town (Kagoshima Prefecture)
- Japan: Sponsored the Smiles Child-Rearing Support Project in Ehime Prefecture and a diaper distribution program in Shikokuchuo City (Ehime Prefecture)

Providing Relief Supplies

- South Korea: Donated sanitary pads to student support centers at junior and senior high schools through international NGO Save the Children
- South Korea: Donated sanitary pads to specialized child welfare organization Green Umbrella Children's Foundation
- South Korea: Conducted the Share Pad Campaign in cooperation with the city of Gumi, donating sanitary pads and disposable baby diapers
- South Korea: Participated in efforts to support lower income households eligible for medical assistance and welfare services in Gangseo District, Seoul and donated sanitary pads
- China: Donated sanitary pads to 195 minors (88 in Changning and 107 in Qingpu) from low-income families in the Changning and Qingpu districts of Shanghai, where our offices are located
- India: Donated over 70,000 masks in cooperation with an NGO in response to air pollution issues
- India: Collaborated with an NGO partner to distribute over 13,500 *Lifree* disposable adult diapers to elderly communities in conjunction with International Day of Older Persons on October 1, 2025
- Brazil: Employees conducted a clothing donation campaign to collect and donate clothing to low-income households
- Australia: Thirteen employees participated in volunteer activity sorting donated goods for low-income families

Women's Empowerment

- India: Supported female entrepreneurs through Project Jagriti, a program that supports women in rural regions of the country
P.113 Supporting the Financial Independence of Women (Regional Contributions)
- India: Launched Project SAKHI to raise awareness of menstrual hygiene among female inmates and prison staff, with over 778 participants across 20 prisons
- India: Held cultural events at two prisons on International Women's Day to raise awareness of social issues, with over 250 participants including female inmates and prison staff
- India: Distributed 10,000 sanitary pads and conducted menstrual hygiene awareness campaigns in impoverished areas on International Women's Day to support underprivileged women
- India: Partnered with 15 NGOs to conduct *Sofy* donation campaigns across eight states to donate over 300,000 sanitary pads to more than 40,000 women and girls without access to sanitary pads
- Indonesia: Held the online talk show event United in Uniqueness—Unicharm Supports the Advancement of Indonesian Women on March 19, 2025, with over 50 participants
- Japan: Held the Girl Goals Story Session 2025 in collaboration with UN Women and international NGOs on International Youth Day to reflect on the challenges of adolescence
- Japan: Signed a comprehensive partnership agreement with Shinagawa Joshi Gakuin Junior & Senior High School to empower the next generation of women and address social issues
- Japan: Launched the *Sofy* #PeriodCareSupport Project 2025 to support women taking school entrance examinations

Regional Revitalization

- Thailand: Conducted dengue fever prevention workshops using citronella for nearby residents of Niyom Yatra Municipality; raised awareness of dengue fever control and prevention in the region by making natural mosquito repellents using herbs; and taught them how to make dishwashing detergent using kaffir lime
- India: Employees planted 100 trees and made seed balls on Earth Day at the Baba Neem Karoli Plantation Site in Delhi
- United States: Partnered with Secaucus Environmental Department in New Jersey on World Environment Day to set up a booth and showcase educational materials and interactive exhibits in the garden of the Secaucus Public Library
- China: Participated in community volunteer activities aimed at promoting respect for the elderly, supporting low-income families, encouraging environmental improvements, and contributing to public welfare services
- Brazil: Conducted a factory tour for 40 third-year high school students as part of Jaguariúna City's Desenvolve Jovens youth development project
- Vietnam: Donated a house to a low-income household in Thai Nguyen Province as part of the government's housing improvement program in addition to VND60 million as construction funds to improve living conditions and reduce poverty in mountainous areas

- Vietnam: Conducted a factory tour at the Bắc Ninh Factory for students at National Economics University (NEU)
- Taiwan—Greater China: Hosted students from Kawanoe High School in Ehime Prefecture (Japan) as part of a cross-cultural exchange program
- Taiwan—Greater China: Hosted students from the Faculty of Business Administration of Matsuyama University (Japan) to learn about differences in workplace culture
- Japan: Donated 500 tickets for the Osaka—Kansai Expo to high school students and their families participating in Calligraphy Performance Koshien in EXPO
- Japan: Unicharm products selected as thank-you gifts for the Furusato Nozei (hometown tax return) program in Tanagura Town (Fukushima Prefecture), Kakegawa City (Shizuoka Prefecture), Nabari City (Mie Prefecture), Itami City (Hyogo Prefecture), Kanonji City (Kagawa Prefecture), Kanda Town (Fukuoka Prefecture), and Kamisato Town (Saitama Prefecture), where our production facilities are based
- Japan: Promoted activities in support of children who will shape the future of Ehime Prefecture through the corporate version of Furusato Nozei (Next Generation Baseball Player Development Project and the purchase of children's books for Shikokuchuo City Digital Library)

Cleanup Activities

- Australia: Fourteen employees participated in Clean Up Australia Day to clean up parks in Melbourne
- Taiwan—Greater China: Participated in Protect the Ocean and Go Clean the Beaches, a beach cleanup activity hosted by drugstore chain AS Watson
- Taiwan—Greater China: Conducted beach cleanup activities on our founding anniversary, with 104 employee participants
- South Korea: Conducted the Clean Gumi Initiative with the city of Gumi
- Malaysia: Organized the Bond-Bond Beach Cleanup Program
P.56 Promoting Awareness of Proper Methods for Disposing of Products After Use

Regional Contributions Through Sports

- Japan: Have continued to support J2 League professional soccer team FC Imabari as a top partner and cohesive society partner since 2020, and held Unicharm Match Day at ASICS Satoyama Stadium
- Japan: Sponsored the 2025 Unicharm Trophy Ehime International Open Tennis Tournament, an Association of Tennis Professionals (ATP)-certified event
- Japan: Continued to support and sponsor the Fukushima Red Hopes, a professional baseball team based in Fukushima Prefecture that plays in the Baseball Challenge League of the Japan Independent Baseball League

Support for Disaster-Affected Areas

Disaster Relief and Ongoing Support for Disaster-Affected Areas

- Japan: Have continued to promote our Matching Fund employee participation initiative since fiscal 2011
P.114 Matching Fund (Support for Disaster-Affected Areas)
- Myanmar: Donated disposable baby diapers, sanitary pads, and relief funds totaling approximately MMK41,260,000 through NGOs (including the Free Funeral Service Society and Khine Hnin Wai Foundation) and government agencies
- India: Donated approximately 250,000 sanitary pads to the flood-affected regions of Punjab, Delhi, and Jammu and Kashmir
- Indonesia: Provided emergency assistance to those affected by heavy rainfall and flooding in North and West Sumatra and Aceh as well as those displaced by the eruption of Mount Semeru in East Java
- Vietnam: Donated approximately VND733,160,000 to help stabilize the lives of victims affected by severe storms and flooding

Governance

CONTENTS

118 Corporate Governance

118 Corporate Governance

128 Compliance

128 Fair Business Practices

132 Tax Compliance

133 Risk Management

133 Risk Management

Corporate Governance

Corporate Governance

2-9, 2-12, 2-13, 2-17

Our Basic Approach and Strategy

Unicharm strives to achieve sustainable growth and create medium- to long-term corporate value by cooperating appropriately with stakeholders and ensuring that it is recognized and trusted by society, and believes that such efforts will lead to the promotion of sound corporate management in accordance with the Unicharm Ideals. To realize this goal, our basic policy on corporate governance is to achieve transparent, fair, timely, and decisive management through frank and proactive engagement that will gain the support of various stakeholders and enable management to make appropriate decisions without overlooking opportunities.

[web Corporate Governance Report](https://www.unicharm.co.jp/en/company/corporate-governance.html)<https://www.unicharm.co.jp/en/company/corporate-governance.html>

Management Structure

Role of the Board of Directors

At Unicharm, we believe that the Board of Directors' performance regarding the following functions will lead to the creation of an environment that enables management to make appropriate decisions without overlooking opportunities, and ultimately to the improvement of corporate value.

- Determine the Company's medium- to long-term direction
- Provide advice to management from various internal and external viewpoints
- Oversee transparent and fair decision-making processes through decisions on important business execution and the deliberations on matters to be reported

The Company's inside directors and executive officers possess a high level of expertise in its areas of business. Assuming that decisions are made based on their expert opinions and advice, the Board of Directors oversees this process and provide advice on the Company's medium- to long-term direction from a wide range of perspectives.

Composition of the Board of Directors

The Board of Directors is of an appropriate size to capably engage in extensive discussions and fulfill the above-mentioned roles. Outside directors are selected particularly focused on those with strengths in areas that are strategically important to the Company and where advice from an outside perspective would have particular significance. On the other hand, we believe that appointing a certain percentage of inside directors and ensuring adequate incentives for appropriate risk-taking and providing information to the Board of Directors will strengthen the decision-making and advisory functions of the Board of Directors.

Placing emphasis on overseeing the transparency and fairness of the decision-making process, the Company works to achieve appropriate oversight through collaboration between internal and outside directors.

Audit & Supervisory Committee

The Company has deemed that a company with audit and supervisory committee structure, in which Audit & Supervisory Committee members are involved in decision-making and an advisory role as members of the Board of Directors, is an appropriate organizational structure for the Company, enabling the Board of Directors to fulfill its role of overseeing decision-making processes in a transparent and fair manner. Furthermore, the Company's Articles of Incorporation establish that decisions on the execution of important operations be raised at Board of Directors meetings and not delegated to directors pursuant to Article 399-13, Paragraph 6 of the Companies Act.

Nomination Committee and Remuneration Committee

The Nomination Committee and Remuneration Committee have been established as discretionary bodies to ensure transparency and objectivity in the process for nominating candidates for directors and executive officers and determining their remuneration. The Company has been deemed that the current composition of the Board of Directors, of which half of the members are inside directors and half are outside directors and chaired by an outside director, is appropriate to ensure the transparency and objectivity of nomination- and remuneration-related decisions and adequate incentives for appropriate risk-taking and providing information to the Board of Directors.

(As of March 19, 2026)



	Composition and Decision-Making Authority	Fiscal 2025 (Agenda Items)
Board of Directors	The Board of Directors comprises six members, including one representative director and two outside directors. It has the authority to determine basic management policies, decide on the establishment of the internal control system, and execute other important duties. It also fulfills a supervisory role in monitoring the formulation and execution of the medium-to long-term direction and provides advice from a variety of internal and external perspectives, ensuring an environment that enables management to make appropriate decisions without missing out on opportunities.	• Medium-term management plan • Budgets and financial results • Organizational reforms, director and executive officer personnel • ESG Committee, Corporate Ethics Committee, Internal Control Committee, and Information Security Committee activities
Audit & Supervisory Committee	The Audit & Supervisory Committee comprises three members, including one full-time member who is a non-executive director and two members who are outside directors. The full-time member of the Audit & Supervisory Committee is selected for this role to increase the effectiveness of audits performed by the Audit & Supervisory Committee based on information obtained by a person highly familiar with the Company's internal situation. This person gains information through attending important meetings other than those of the Board of Directors and close collaboration with the internal auditing departments.	• P.123 Audit Status (1) Audit Status of the Audit & Supervisory Committee: Activity Status of the Audit & Supervisory Committee
Nomination Committee	The Nomination Committee is a discretionary body established for the purpose of nominating director candidates and ensuring the transparency and objectivity of the selection of executive officers. The Nomination Committee has the authority to (1) propose ideas on the appointment and dismissal of directors to submit to the general meeting of shareholders, (2) select and dismiss the representative director, and (3) discuss proposals on the selection and dismissal of executive officers as well as senior executive officer.	• Director and executive officer candidates, etc.
Remuneration Committee	Unicharm has established the Remuneration Committee, a discretionary body with the purpose of securing transparency and objectivity regarding the remuneration of directors (excluding directors who are Audit & Supervisory Committee members) and executive officers. The Remuneration Committee has the authority to deliberate on (1) proposals concerning remuneration, etc., of directors to be submitted to the general meeting of shareholders, (2) the policy for determining individual remuneration, etc., of directors (excluding directors who are Audit & Supervisory Committee members) and executive officers, and (3) the evaluation indicators and results used to determine the individual remuneration, etc., of directors (excluding directors who are Audit & Supervisory Committee members) and executive officers.	• Director and executive officer performance evaluations • Director and executive officer remuneration, etc.

► Composition of Important Meetings and Committees

	Composition and Functions
Advisory Board Meeting	The Advisory Board Meeting is chaired by the representative director, president & CEO, is attended by all directors with the exception of outside directors, all executive officers, and the leaders of relevant business units. Outside directors also attend the meeting as necessary. The meeting convenes to deliberate on how to achieve the strategies in the medium-term management plan as well as the business plans and strategies of Group companies.
Business Update Meeting	The Business Update Meeting is attended by all directors with the exception of outside directors, all executive officers, and the leaders of relevant business units. The representative director, president & CEO chairs this meeting. In principle, the meeting convenes once a month to provide reports on the execution of operations, and discussions are held on material issues in terms of business execution selected by the chair for prompt resolution.
ESG Committee	The ESG Committee is chaired by the representative director, president & CEO and the ESG Division serves as its secretariat. The committee discusses the progress of activities and countermeasures for issues related to the medium-term management plan and medium- to long-term ESG goals.
Corporate Ethics Committee	The Corporate Ethics Committee is chaired by the executive officer in charge of the Corporate Ethics Office. All Audit & Supervisory Committee members serve as standing members of this committee, which promotes a system for ethics and legal compliance.
Internal Control Committee	The Internal Control Committee is chaired by the executive officer in charge of the Internal Audit Department, which serves as its secretariat. The committee is responsible for addressing management's assessment of internal control over financial reporting as well as audits conducted by an audit firm.
Risk Committee	The Risk Committee is chaired by the executive officer in charge of the Corporate Planning Division, which along with the ESG Division serves as its secretariat. The committee identifies and assesses risks facing the Company and reports significant matters to the Board of Directors.
Information Security Committee	The Information Security Committee is chaired by the executive officer in charge of information security and the DX Promotion Division serves as its secretariat. The committee establishes a system for ensuring information security.
Accounting Auditor	The Audit & Supervisory Committee approves the accounting auditor based on its auditing system, independence, and expertise.

► Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Attendance at These Meetings (Fiscal 2025)

	Board of Directors	Audit & Supervisory Committee	Nomination Committee	Remuneration Committee
Takahisa Takahara Representative Director, President & CEO	100% (9/9 times)	—	100% (1/1 time)	100% (1/1 time)
Toshifumi Hikosaka Director, Senior Management	100% (3/3 times)	—	—	—
Kenji Takaku Director, Senior Management	100% (9/9 times)	—	—	—
Tetsuya Shite Director, Senior Managing Executive Officer	100% (6/6 times)	—	—	—
Hiroaki Sugita Director, Audit & Supervisory Committee Member Outside Independent	100% (9/9 times)	100% (11/11 times)	100% (1/1 time)	100% (1/1 time)
Noriko Rzonca Director, Audit & Supervisory Committee Member Outside Independent	100% (9/9 times)	100% (11/11 times)	100% (1/1 time)	100% (1/1 time)
Shigeru Asada Director, Audit & Supervisory Committee Member	100% (9/9 times)	100% (11/11 times)	100% (1/1 time)	100% (1/1 time)

Note: Outside Outside director Independent Independent director

Attendance is based on the number of times committees have convened during members' respective tenures.

► Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Relevant Expertise of Directors
(as of March 19, 2026)

2-11

	Tenure	Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees				Relevant Expertise of Directors										
		Board of Directors	Audit & Supervisory Committee	Nomination Committee	Remuneration Committee	Corporate Management	Finance and Accounting	Corporate Governance	Risk Management	Human Resource Development	Overseas Business	Marketing	Distribution Strategy	Development and Production	Sustainability*	Digital Transformation
Takahisa Takahara Representative Director, President & CEO	30 years, 9 months	◎		○	○	●	●	●	●	●	●	●			●	
Kenji Takaku Director, Senior Management	3 years	○				●		●	●	●	●	●	●	●		
Tetsuya Shite Director, Senior Managing Executive Officer	1 year	○				●		●	●	●			●		●	
Hiroaki Sugita Director, Audit & Supervisory Committee Member Outside Independent	5 years	○	○	◎	◎	●	●	●	●	●		●	●		●	●
Noriko Rzonca Director, Audit & Supervisory Committee Member Outside Independent	3 years	○	○	○	○	●		●	●	●	●	●			●	●
Shigeru Asada Director, Audit & Supervisory Committee Member	7 years	○	◎	○	○	●	●	●	●	●	●					

Note: ◎ denotes serving as the chair and ○ denotes serving as a member Outside Outside director Independent Independent director * Environment and quality

► Definition of Relevant Expertise

Corporate Management	The ability to enhance corporate value by overseeing and leading business portfolio optimization, capital allocation, and other management initiatives
Finance and Accounting	The ability to accurately oversee and lead financial strategies based on a sufficient understanding of and experience in finance, accounting, and tax affairs
Corporate Governance	The ability to strengthen the effectiveness of the Board of Directors, ensure independent oversight functions, and maintain the transparency and integrity of management
Risk Management	The ability to identify and assess a wide range of latent risks associated with business activities, and to oversee appropriate mitigation and response measures
Human Resource Development	The ability to oversee the development and promotion of a diverse range of employees who represent the source of the Company's value creation
Overseas Business	The ability to oversee and lead strategies consistent with the culture and practices in each country and region, based on experience in the management of overseas businesses
Marketing	The ability to accurately grasp consumer trends, and to oversee and lead strategies designed to establish competitive superiority
Distribution Strategy	The ability to understand the characteristics of diverse distribution channels and to oversee and lead their optimization
Development and Production	The ability to determine the direction of R&D in each of the Company's business domains, and to oversee and lead the promotion of standardization and efficiency in manufacturing technologies
Sustainability*	The ability to oversee and lead strategies to solve social issues through business activities, in support of the realization of a sustainable society
Digital Transformation	The ability to determine the direction of digital transformation and to oversee and lead the utilization of AI and other cutting-edge technologies

Views on the Balance Between Knowledge, Experience, and Skills of the Board of Directors and Diversity and Size Thereof

405-1

At Unicharm, we believe the fulfillment of the following functions by the Board of Directors contributes to the enhancement of corporate value. To that end, the Board of Directors must have a good balance of essential knowledge, experience, and skills and that its composition is diverse and of an appropriate size.

- Determine the Company's medium- to long-term direction
- Provide advice to management from various internal and external viewpoints
- Oversee transparent and fair decision-making processes through decisions on important business execution and deliberations on matters to be reported

Maintaining Diversity and Appropriate Size

The Company's inside directors and executive officers possess a high level of expertise in its areas of business which is utilized by the Board of Directors to oversee decision-making processes and provide advice on the Company's medium- to long-term direction from a wide range of perspectives. In this way, the Company ensures that the composition of the Board of Directors is diverse and of an appropriate size.

Inside Directors

The Board of Directors oversees decision-making processes and provides advice on the Company's medium- to long-term direction from a variety of perspectives utilizing the expertise of inside directors and executive officers. Accordingly, inside directors are selected from among those with extensive knowledge of the Company's business.

Outside Directors

Outside directors are selected from those with particular emphasis on strengths in areas that are key to the Company's strategies and in which advice from an external perspective is of particular importance. Emphasis is also placed on their ability to promote digital transformation (DX), as this is an area in which advice from outside directors is particularly important in implementing the strategies underscored in the medium-term management plan. Furthermore, outside directors are selected from among those with experience in corporate management, due to its significance in the Board of Directors' ability to fulfill its supervisory function.

Directors Who Are Audit & Supervisory Committee Members

As a company with audit and supervisory committee structure, we believe, on the whole, that directors who are Audit & Supervisory Committee members must possess the knowledge, experience, and abilities to conduct effective audits. We also believe that directors who are Audit & Supervisory Committee members should include those with sufficient knowledge of finance and accounting in particular, as well as legal affairs.

► Reasons for Appointment of Outside Directors

Name	Audit & Supervisory Committee Member	Independent Director	Supplementary Explanation on Appropriateness	Reasons for Appointment
Hiroaki Sugita	○	○	Mr. Sugita currently serves as a Senior Advisor of the Boston Consulting Group and is not involved in the Company's consulting business. Moreover, the ratio of consulting fees paid to the Boston Consulting Group by the Unicharm Group comprises less than 1% of both groups' consolidated net sales for the three most recent fiscal years. He has been designated as an independent director upon determining that he does not have any conflict of interest with the Company's general shareholders and fulfills the independence criteria stipulated in the Guidelines for Listing Management of the Tokyo Stock Exchange and the Company's selection standards for independent directors.	Having previously served as Japanese representative of major foreign capital consulting firm the Boston Consulting Group (currently, Boston Consulting Group LLC) and currently serving as a Senior Advisor, Mr. Sugita possesses a high level of insight and is highly experienced in corporate management, finance and accounting, corporate governance, risk management, and DX, among other areas. The Company has determined that he is qualified to further advance its global expansion and provide appropriate advice on both governance and management strategies based on his high level of insight in these areas.
Noriko Rzonca	○	○	Ms. Rzonca has been designated as an independent director upon determining that she does not have any conflict of interest with the Company's general shareholders and fulfills the independence criteria stipulated in the Guidelines for Listing Management of the Tokyo Stock Exchange and the Company's selection standards for independent directors.	Ms. Rzonca has served in operational and management roles at major overseas and foreign-affiliated financial institutions through which she has acquired a high degree of insight into corporate management and corporate governance. She has also been in charge of developing digital human resources and building a data-driven management platform at Sony Bank Inc. and Cosmo Energy Holdings Co., Ltd. Having worked overseas at foreign-affiliated companies, she also has a strong understanding of global strategy. Based on these qualifications, the Company believes Ms. Rzonca will continue to provide appropriate advice in strengthening governance and implementing DX strategies and play a key role in our efforts to become a global leading company.

Policies and Procedures for Nomination of Director Candidates and Appointment and Dismissal of Executive Officers

2-10

Policies

Candidates for directors are nominated, both inside and outside the company, from those possessing outstanding characteristics and comprehensive management knowledge, with an emphasis on their capacity to appropriately fulfill the duties of a prudent manager and on their loyalty and contributions to the Company's sustained growth and increased corporate value. Inside directors are appointed based on the periodic assessment of their cultivation of successors and implementation of supervision by the directors, the Nomination Committee, and the Board of Directors. Moreover, in nominating director candidates, efforts are made to ensure that the Board of Directors, on the whole, has a good balance of essential knowledge, experience, and skills and that its composition is diverse and of an appropriate size.

Executive officers are appointed from those with outstanding characteristics who are familiar with the Group's businesses and practice the Five Great Pillars and Associate Code of Conduct established as the Group's Charter of Actions for both executives and employees, with an emphasis on the ability to appropriately execute business activities.

To ensure objectivity and transparency, the evaluation criteria for directors and executive officers are clearly defined per role and disclosed. When receiving an evaluation below standard for two consecutive years, the director or executive officer will be subject to review by the Nomination Committee and dismissed or not reappointed by the Board of Directors following a comprehensive evaluation based on advice and recommendations from the committee. For specific evaluation criteria, please refer to "Remuneration of Directors and Executive Officers."

P.124 Remuneration of Directors and Executive Officers

Procedures

The nomination of candidates for directors and the appointment of executive officers are both determined by the Board of Directors based on deliberations by the Nomination Committee, which is chaired by an independent outside director and comprises the representative director, president & CEO, two independent outside directors, and one non-executive director, in order to secure transparency and objectivity. The Nomination Committee

deliberates on the policy concerning the nomination of candidates for directors and the appointment of executive officers as necessary. Decisions on candidates for directors who are Audit & Supervisory Committee members are made by the Board of Directors based on a draft formulated after deliberation by the Nomination Committee in accordance with the policy of the Audit & Supervisory Committee, with prior consent from the same.

Succession Plan

Please refer to "Succession Plan" for details on the system for fostering and nominating successors.

P.91 Succession Plan

Resolution Requirements for the Appointment of Directors

The Articles of Incorporation stipulate that a resolution on the appointment of a director is reached when more than one-third of shareholders with exercisable voting rights are in attendance and pass the proposal with a majority vote, with directors separated by those who are and who are not members of the Audit & Supervisory Committee. In addition, the Articles of Incorporation stipulate that the resolution on the appointment of directors shall not use cumulative voting.

Transactions Between Related Parties

2-15

The Company obtains prior approval of the Board of Directors when conducting direct or indirect business with its directors (including directors who are Audit & Supervisory Committee members) or their relatives. When important transactions are carried out between Group companies, a legal check is conducted in advance to verify the validity of transactional conditions and their method of determination, as well as careful deliberation by the Board of Directors, including multiple independent outside directors.

Selection Standards for Independent Directors

The selection standards for independent directors are presented below.

web Selection Standards for Independent Directors (in Japanese only)

https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/company/about/dokuritsutorisimariyakusennnin.pdf

Audit Status

① Audit Status of the Audit & Supervisory Committee Organization and Personnel

The Audit & Supervisory Committee comprises three members, including one full-time member who is a non-executive director and two members who are outside directors.

Audit & Supervisory Committee member and outside director Hiroaki Sugita has experience as Japanese representative, Managing Director and Senior Partner of major foreign capital consulting firm Boston Consulting Group, where he currently serves as a Senior Advisor, in addition to his role as an outside director at other companies, where he utilizes his considerable knowledge of corporate management and corporate governance.

Audit & Supervisory Committee member and outside director Noriko Rzonca has years of experience in management positions at major overseas and foreign-affiliated financial institutions through which she has acquired a high level of insight into corporate management strategies and corporate governance. Having been in charge of strengthening DX strategies, developing digital human resources, and building a data-driven management platform at Sony Bank Inc. and Cosmo Energy Holdings Co., Ltd., she also has strong understanding of DX strategies.

Shigeru Asada, who serves as a full-time member of the Audit & Supervisory Committee, has sufficient knowledge of finance and accounting from his experience as the executive director and general manager of the Accounting Control & Finance Division of the Company, in addition to his experience as the head of the internal audit and tax departments and as the officer in charge of accounting for overseas businesses at Panasonic Corporation's global headquarters.

The Audit & Supervisory Committee conducts systematic audits based on reports from the Internal Audit Department and other reports through internal control systems and may require further reports and the sharing of opinions as needed.

Activity Status of the Audit & Supervisory Committee

1. Meeting frequency:

Meetings of the Audit & Supervisory Committee are generally held once a month and from time to time as needed.

2. Specific meeting agenda:

The following resolutions and reports were made in fiscal 2025.

Resolutions: Audit plan and the sharing of the duties of the Audit & Supervisory Committee, reappointment and non-reappointment of the accounting auditor, agreement on the remuneration of the accounting auditor, Audit & Supervisory Committee audit reports, etc.

Reports: Prior confirmation of the Board of Directors' agenda items, audit plan and audit report of the accounting auditor, internal control and audit reports on the Internal Audit Department, strategies of domestic and overseas subsidiaries, reports on financial position and business restructuring, etc.

3. Attendance of Audit & Supervisory Committee members:

Please refer to "Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Attendance at These Meetings" for the attendance record at meetings of the Audit & Supervisory Committee held in fiscal 2025. The average duration of Audit & Supervisory Committee meetings was approximately 60 minutes.

P.120 Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Attendance at These Meetings (Fiscal 2025)

4. Activities of full-time Audit &

Supervisory Committee members:

Full-time Audit & Supervisory Committee members share information with part-time outside directors who are Audit & Supervisory Committee members, while auditing the appropriateness of the operational status of the internal control system through (1) collecting information internally, (2) monitoring information dissemination from Company management, (3) attending regularly held business update meetings and advisory meetings that deliberate on the Company's

master plan and management plan of each subsidiary company in Japan and overseas, (4) auditing business reports, financial documents, consolidated financial statements, and supplemental schedules, (5) perusing important approval documents and contracts, (6) receiving reports from the Internal Audit Department in a timely manner, and (7) through regular meetings with the accounting auditor, verifying the appropriateness of the methods and results of the accounting audit and confirming whether an internal control system of said auditor is in place.

② Status of the Internal Audit

The Company has established the Internal Audit Department as an internal auditing section that is under the direct control of the representative director, president & CEO. It conducts internal audits on executing departments and compiles internal audit reports, which include points of critique and improvement recommendations. The reports are then shared with the representative director, president & CEO, as well as the Audit & Supervisory Committee, and submitted to the department undergoing the audit. In case any deficiency is noted, the audited department will develop and implement an improvement plan while the Internal Audit Department will monitor the improvement results.

Regular meetings are held between the Internal Audit Department, the Audit & Supervisory Committee, and the accounting auditor to share information and opinions. Moreover, audits done by this assembly include the establishment and operational status of an internal control system developed by the internal control sections.

③ Policy and Reason for Selection of the Audit Firm

The selection of an accounting auditor is made upon considering the audit system, independence, and expertise of the accounting auditor by the Company's Audit & Supervisory Committee.

If an accounting auditor is found to fit the description of any item under Article 340, Paragraph 1 of the Companies Act, the accounting auditor will be terminated by the Audit & Supervisory Committee, given the agreement of all members of the committee. The decision to reappoint an accounting auditor is made

every fiscal year with consideration of the accounting auditor's suitability, independence, and job performance. If the decision is made such that non-reappointment is appropriate, then the Audit & Supervisory Committee will determine the details of the proposal concerning the non-reappointment of the accounting auditor to the general meeting of shareholders.

Development of an Internal Control System

The Company formulated its Basic Policy for Establishing an Internal Control System in accordance with the Companies Act and established the Internal Control Committee in compliance with the Internal Control and Reporting System (J-SOX) of the Financial Instruments and Exchange Act. The Internal Control Committee conducts an annual reassessment of risks for each Group company, reviews target countries and regions for J-SOX assessment, and revises the scope of assessment for business processes. The committee also monitors the development and operational status of the internal control system and works to ensure the reliability of financial reports.

The Company makes ongoing improvements to this internal control system from a global perspective by taking into account the regulatory developments in the countries and regions where it operates.

Remuneration of Directors and Executive Officers

2-19,2-20

1. Method of Determining the Policies for Determining Individual Remuneration of Directors and Executive Officers

Our policies for determining individual remuneration of directors and executive officers is designed to ensure transparency and objectivity in the decision-making process. Remuneration is determined by the Board of Directors based on deliberations by the Remuneration Committee, which consists of the representative director, president & CEO (one person), a non-executive director (one person), and independent outside directors (two persons), with the independent outside directors comprising half of the seats on the committee, which is chaired by an independent outside director.

► Our Basic Policy

Remuneration, etc. for directors (excluding directors who are Audit & Supervisory Committee members) and executive officers of the Company and related policies are determined based on comprehensive evaluation of their motivation to improve Unicharm's performance and corporate value and the securing of excellent human resources, in order to ensure that the level of remuneration is commensurate with the roles and responsibilities of their position. Basic policies on their remuneration aimed at promoting growth-oriented management, accomplishing management strategies, and fulfilling management plans are indicated as follows.

► Basic Policy on Remuneration of Directors and Executive Officers

- 1 Contributes to the sustainable growth and medium- to long-term increase of corporate value
- 2 Remuneration structure that is linked closely with performance and motivates the fulfillment of management plans and the achievement of results
- 3 Remuneration level that can attract and retain human resources who can assume the role of management
- 4 Highly transparent and objective process for determining remuneration

► Remuneration Levels of Directors and Executive Officers

- 1 Remuneration is set to match the remuneration levels of directors and executive officers in the same industry in Japan and overseas and in companies of the same scale in other industries, as well as in consideration of our financial situation, in order to promptly cope with changes in the external environment and market conditions.
- 2 The target value of monetary compensation is set within the top 25 percentile and that of combined stock option compensation from a medium- to long-term perspective is set within the top 10 percentile.

2. Overview of the Policies for Determining Individual Remuneration of Directors and Executive Officers

The following is an overview of the Company's policies for determining the individual remuneration of directors.

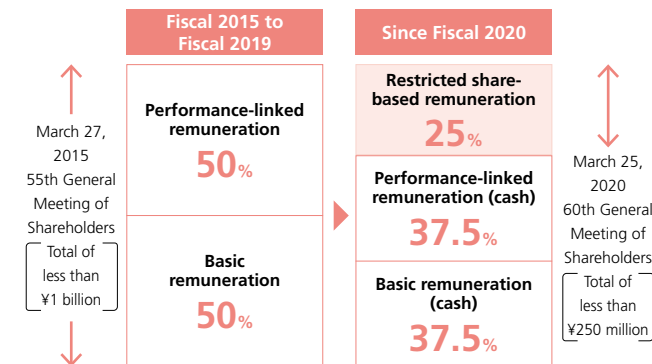
1 Overview of the Remuneration System of Directors and Executive Officers

Remuneration for directors (excluding directors who are Audit & Supervisory Committee members) and executive officers consists of basic remuneration (cash) and performance-linked remuneration. Performance-linked remuneration consists of monetary compensation as a short-term incentive and restricted share-based remuneration as a medium- to long-term incentive. In addition, basic remuneration for each position is determined based on the extent of job responsibility.

Independent outside directors, coming from a stance independent of business execution, and directors who are Audit & Supervisory Committee members receive only fixed remuneration, given their roles to provide supervision and advice on the Company's management from an objective perspective.

The total amount of annual remuneration was approved to be within ¥1 billion for directors (applicable to eight members and excluding those who are Audit & Supervisory Committee members) and within ¥100 million for directors who are Audit & Supervisory Committee members (applicable to three members) at the 55th General Meeting of Shareholders held on March 27, 2015. The total annual amount of restricted share-based remuneration was approved to be within ¥250 million (applicable to three members and remaining within the aforementioned ¥1 billion limit) at the 60th General Meeting of Shareholders held on March 25, 2020.

► Composition of Remuneration



- Basic remuneration (cash): To ensure the Company's competitiveness in the marketplace, basic remuneration is determined based on benchmarks set according to the extent of the roles and responsibilities for each position and paid in the form of monthly fixed compensation.
- Performance-linked remuneration (cash): As a short-term (one-year) incentive, performance-linked remuneration is set in the range of 0% to 200% (consisting of 10 remuneration levels) of the basic remuneration amount depending on performance results for that period. It is paid out from the following April to March of the following year based on the results of the fiscal year under evaluation (preceding January to December).
- Restricted share-based remuneration: As an incentive to increase corporate value over the medium to long term, the Company allocates in April of the following year restricted shares equivalent to 33% to 100% of the basic remuneration amount according to the performance results of the fiscal year under evaluation (preceding January to December). Restricted share-based remuneration has a transfer restriction period set at three years.

► Evaluation Indicators for and Basic Policy on Remuneration of Directors and Executive Officers and Fiscal 2025 Remuneration Targets and Results

The evaluation indicators (consisting of eight themes in four categories, including ESG assessment) used to determine performance-linked remuneration (cash) and restricted share-based remuneration of directors (excluding those who are also Audit & Supervisory Committee members) and executive officers as well as the targets and results for remuneration in fiscal 2025 are presented below. Moreover, weightings for evaluation indicators are assigned to each position in line with the extent of responsibilities. For example, evaluation weightings for the representative director are set at 50% each for the Group's performance and key strategies. For senior executive officers responsible for line function departments, the weightings are 30% each for the performance of the Group and the departments of which they are in charge and 20% each for the key strategies of the Group and the departments of which they are in charge.

ESG assessment, which was incorporated into the evaluation indicators from fiscal 2020, is intended to be measured as quantitatively as possible through the use of the FTSE JPX Blossom Japan Index and improvements to ESG scores. In addition, as a result of promoting the Group's medium- to long-term ESG goals, Kyo-sei Life Vision 2030, we were selected as a constituent stock of five ESG indices adopted by GPIF. Furthermore, the Company has received a number of recognitions, including selection as an Environmentally Sustainable Company at the 6th ESG Finance Awards Japan; selection as a constituent stock of the Sampo Sustainability Index; selection for the CDP 2025 A List, its highest rating, in all three areas, as well as selection as a Supplier Engagement Leader by CDP in 2025; our first Excellence Award in the ESG category of Sustainable Japan Award 2025; and "Best Workplace" recognition for diversity & inclusion at D&I Award 2025 for the third consecutive year. Through our business activities, Unicharm will remain committed to resolving issues of society and the natural environment while further enhancing corporate value.

No.	Evaluation Criteria	Accountability	Assessment Weighting	Targets	Results	Assessment
1	Group performance (business plan)	1-1 Consolidated net sales	20%–50%	¥974,000 million (down 1.5% YoY)	¥945,268 million (down 4.4% YoY)	97.1%
		1-2 Consolidated core operating income		¥120,000 million (down 13.3% YoY)	¥108,884 million (down 21.4% YoY)	90.7%
		1-3 Profit attributable to owners of parent		¥85,100 million (up 4.0% YoY)	¥65,212 million (down 20.3% YoY)	76.6%
2	Department performance	2-1 Sales in applicable business division	0%–40%	(Each department)	(Each department)	—
		2-2 Profits in applicable business division		(Each department)	(Each department)	—
3	Group key strategy	3-1 Priority strategies for each role	20%–50%	(Each director)	(Each director)	—
		3-2 ESG assessment (specialist rating agency evaluation, etc.)		(Each director)	(Each director)	—
4	Department key strategy	4 Priority strategy in applicable business division	0%–40%	(Each department)	(Each department)	—

Overview of key assessment indicators

1. Performance-based indicators for Company efforts 2. Performance-based indicators for individual director and executive officer efforts 3. Assessment indicators for Company priority strategies (including qualitative assessments)

4. Assessment indicators for individual director and executive officer priority strategies (including qualitative assessments)

Note: Targets are based on the revised forecast of consolidated financial results announced on August 5, 2025.

► Conditions in the Agreement on the Allotment of Restricted Share-Based Remuneration

Restricted share-based remuneration means that eligible directors and executive officers receive monetary claims as their remuneration, all of which are then contributed to the Company. Finally, the Company disposes of treasury shares in exchange for these contributions. The Company and each of the eligible directors and executive officers conclude an agreement on the allotment of restricted shares.

1	Restriction period	The eligible directors and executive officers are prohibited from assigning, pledging as collateral, or disposing of ("transfer restriction") these shares ("allotted shares") for three years from the date of the allotment ("restriction period").
2	Handling of retirement	If an eligible director or executive officer resigns or retires from the position of director, executive officer, or another position stipulated in advance by the Board of Directors before the restriction period ends, the Company shall automatically acquire the allotted shares without contribution unless there are justifiable reasons for retirement from office such as expiration of the term of office or death.
3	Removal of transfer restriction	The Company will remove the transfer restriction for all of the allotted shares when the restriction period ends on the condition that the eligible directors and executive officers serve in the position of director, executive officer, or another position stipulated in advance by the Board of Directors throughout the restriction period. However, if an eligible director or executive officer resigns or retires from the position of director, executive officer, or another position stipulated in advance by the Board of Directors before the end of the restriction period due to justifiable reasons for retirement from office, such as expiration of the term of office or death as outlined in "2" above, the Company will reasonably adjust as needed the number of allocated shares for removal of the transfer restriction and the timing of when to remove the transfer restriction. Also, the Company will automatically acquire without contribution the allotted shares for which the transfer restriction has yet to be removed as of the point in time immediately after the removal of the transfer restriction period following the above rules.
4	Clawback provision	The eligible directors and executive officers shall return all or part of the accumulated allotted shares without contribution in the event of material accounting fraud or substantial losses to take responsibility for such occurrences.
5	Other matters	Other matters concerning the agreement on the allotment of restricted shares shall be determined by the Board of Directors.

② Method for Determining Individual Remuneration of Directors

In order to properly assess individual remuneration amounts based on the contribution performance of each director, the evaluation results based on each key performance indicator (KPI) are reported to and deliberated by the Remuneration Committee with a decision made by the representative director entrusted in a resolution of the Board of Directors.

③ Policies Regarding Determining the Composition and Amount of Fixed Remuneration, Bonuses, and Restricted Share-Based Remuneration

A Remuneration Committee meeting was held on February 22, 2021, to deliberate on matters concerning the calculation method, composition, timing of payment, and details and delegation of authority for the determination of fixed remuneration, performance-linked remuneration, and share-based remuneration. After discussions on the matters that should be resolved

by the Board of Directors, decisions were made according to the resolutions of the Board of Directors meeting held on the same day.

3. Reasons for the Board of Directors' Decision to Ensure That Individual Remuneration of Directors in Fiscal 2025 Is Consistent with the Policies for Determining Individual Remuneration of Directors

In regard to the individual remuneration of directors for fiscal 2025, the method for determining remuneration and the determined amounts of remuneration have been deemed consistent with the policy for determining remuneration approved by the Board of Directors. In addition, a high degree of importance is placed on reports from the Remuneration Committee, which also corresponds to said policy.

Support System for Outside Directors

A designated secretary supports outside directors while the Board of Directors' secretariat coordinates between outside directors and the Board of Directors and distributes meeting documents four business days before the meeting, in principle, in an effort to ensure adequate time for reviewing proposals in advance. Support is also provided to ensure that outside directors can make appropriate decisions by providing information on the Company's important strategies, even if there is no direct correlation to the matters of the resolution.

In addition, employees of the Audit & Supervisory Committee Secretariat Office provide assistance for the two outside directors who are Audit & Supervisory Committee members. The full-time Audit & Supervisory Committee member also supports outside directors by providing preliminary explanations of agenda items for the Board of Directors and setting up meetings with relevant departments as necessary.

► Total Remuneration for Each Director and Executive Officer, Total for Each Type of Remuneration, and No. of Directors Receiving Remuneration

Role	Total Remuneration (Million yen)	Total for Each Type of Remuneration (Million yen)			No. of Directors Receiving Remuneration
		Basic Remuneration	Performance-Linked Remuneration	Non-Monetary Remuneration Restricted Share-Based Remuneration	
Directors (excluding Audit & Supervisory Committee members and outside directors)	535	184	184	166	4
Directors (Audit & Supervisory Committee members) (excluding outside directors)	8	8	—	—	1
Outside directors	21	21	—	—	2

1. Total amount of remuneration of directors (excluding Audit & Supervisory Committee members) includes amounts recorded as expenses of ¥166 million for restricted share-based remuneration of four directors (excluding Audit & Supervisory Committee members).
2. Following the enforcement of the Companies Act, the Company's shareholders approved a resolution to abolish the retirement benefit system for directors and executive officers and incorporate their bonuses into remuneration at the 47th General Meeting of Shareholders held on June 26, 2007. Directors and executive officers now only receive annual compensation.

Policy on Cross-Shareholdings

The Company holds the minimum number of shares in other companies necessary for the purpose of maintaining and strengthening its business relationships. In such cases, the Company shall determine whether to invest or not based on whether such investment would contribute to an increase in the corporate value of the Company, comprehensively taking into account the benefits that can be gained by maintaining and improving dividends and business relationships, as well as risks, capital costs, and other factors.

Each year, the Board of Directors verifies the appropriateness of each cross-shareholding, based on whether the purpose of the cross-shareholding has become insubstantial relative to the time of its acquisition and whether the risks and benefits are commensurate with capital costs. Shares that are deemed as unreasonable to hold based on this verification are sold as appropriate, taking into consideration the overall impact on the market and other factors.

With respect to the exercising of voting rights, the Company shall appropriately exercise voting rights upon careful examination of proposals and determination of whether or not these proposals contribute to the improvement of shareholder value. The Company shall not vote for any proposals that may damage shareholder value, regardless of whether they are submitted by the companies or their shareholders.

Analysis and Evaluation of Overall Board Effectiveness

2-18

The Company conducts a questionnaire of all directors every year and also hosts a discussion on the results of this survey with all participating directors. Through this process, the Company confirms progress regarding points identified as requiring further action in previous evaluations, identifies points that need to be

1. Questionnaire overview

The questionnaire asked respondents to selectively answer questions regarding the composition of the Board of Directors (number of members, skills, knowledge, experience, and diversity), oversight of succession planning, the quality, quantity, and timing of information provided at Board of Directors meetings, whether active discussions and comments were made, the number of days and hours the meetings were held, the number of proposals, the time allotted for deliberation, and offensive and defensive governance. Respondents were also asked to reflect on fiscal 2025 and comment on the future direction of the Board of Directors, its functions to be strengthened, the role of outside directors, the setting of agendas, the provision of information to directors, Board composition, and areas to address over the medium to long term.

2. Progress on the matters identified as requiring further action in previous evaluations

1. Matters considered highly necessary to receive advice from directors, such as the Company's medium- to long-term direction, are added to the agenda at the discretion of the chairperson for reporting and discussion.
→ Numerous reports and discussions were conducted, including deliberations on new business entry and responses to new management issues.
2. Provide more detailed explanations prior to Board of Directors meetings according to the agenda item; for agenda items explained in advance, simplify explanations at Board meetings to allow more time for discussions
→ Prior explanations have been provided to directors who are Audit & Supervisory Committee members from December 2025.
3. Improve materials used in considering proposals at Board of Directors meetings to enable discussions on the types of risks involved and whether they align with the organization's risk appetite
→ The Risk Committee (chaired by the executive officer in charge of the Corporate Planning Division) was established in fiscal 2025, and it was decided that the Risk Committee will review agenda items for Board of Directors meetings in advance and report its findings to the Board.
4. Clarify internal rules regarding concurrent positions of directors from the perspectives of conflicts of interest and necessary focus and commitment
→ The internal rules have been established and implemented.

addressed to further enhance the effectiveness of the Board of Directors, and summarizes the results of its analysis and evaluation of overall effectiveness of the Board of Directors. These results are also published with the approval of the Board of Directors.

The following is an overview of the analysis and evaluation results of the questionnaire conducted in fiscal 2026.

3. Results of the analysis and evaluation of overall effectiveness of the Board of Directors and points that must be addressed to further enhance effectiveness

Based on the results of the questionnaire and subsequent discussions of those results, the Company's Board of Directors was determined to be continuously improving and thus functioning effectively. We discussed the future direction of the Board of Directors, its functions to be strengthened, and the roles expected of outside directors and determined that the following efforts shall be made to further enhance the effectiveness of the Board of Directors.

1. In addition to Board of Directors meetings, the Company will also schedule meetings approximately once every two months on the same day as Board meetings, in principle, to provide a forum for discussing medium- and long-term strategic direction and other matters.
2. The Company will provide regular reports to the Board to enable it to monitor the progress of business portfolio reforms.
3. The Company will establish a system to ensure that critical risk information is promptly shared with all directors, including outside directors.

Evaluating Audit & Supervisory Committee Effectiveness

The Company's Audit & Supervisory Committee, in principle, meets once a month. During these meetings, the Audit & Supervisory Committee performs its expected duties through preliminary discussions of agenda items for Board of Directors meetings, reports on the audit plan summary and audits from the accounting auditor, reports on internal audits and internal control assessments from the Internal Audit Department, reports on performance projections and issues from the Accounting & Finance Division, and activity reports from each department based on their importance. Full-time Audit & Supervisory Committee members collect information necessary for audits based on the characteristics of full-time members, such as attending important meetings and reviewing important documents. In addition, through audit reports prepared by the full-time Audit & Supervisory Committee members and the exchange of opinions and information, outside Audit & Supervisory Committee members strive to improve the effectiveness of audits conducted by the Audit & Supervisory Committee.

Compliance

Fair Business Practices

2-25,2-26,2-27,205-1,205-2,205-3,410-1

Our Basic Approach and Strategy

In line with the Unicharm Ideals, “we strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities,” which serve as the foundation of our business activities. We have established the Unicharm Group Charter of Actions, which sets forth more specific standards of conduct to ensure that directors and employees maintain the highest ethical standards, and comply with laws and regulations and the Articles of Incorporation.

The Unicharm Group Charter of Actions prohibits bribery and the provision and acceptance of excessive entertainment and gifts. Similarly, the charter also prohibits improper political contributions, donations to organizations, insider trading, money laundering, and other actions that could lead to fraud or corruption, and we strive to prevent all Group employees from engaging in such actions. Furthermore, to ensure that workplace culture is not conducive to fraud or corruption, we thoroughly manage our working conditions and hours in compliance with various laws and regulations.

The Unicharm Group Charter of Actions is recited at morning assemblies and other gatherings at our various business sites to instill awareness in all employees. We believe it is essential for directors, executive officers, and other members of management to lead by example so that the Unicharm Group Charter of Actions are not mere formality. By continuously conveying such words and actions to employees, we instill a sense of ethics and enhance their awareness of the charter.

► Unicharm Group Charter of Actions / Action Guidelines for Practicing Our “Beliefs & Pledges” and Corporate Code of Conduct (Excerpt)

Practicing Our Pledge to Society

Compliance with Laws and Regulations, Industry Standards, and Internal Rules

1. Unicharm complies with laws and regulations, industry standards, and internal standards and rules and ensures compliance with the laws and regulations pertaining to our business activities.
2. We refrain from the use of terms or expressions that may be construed as forms of slander or social discrimination against other companies or individuals.

Respect for Rules and Cultures of International Society

1. In conducting global business activities as a multinational enterprise, Unicharm respects local cultures and practices and acts in accordance with international rules.
2. Unicharm strives to establish good relationships with local communities and win their trust.

Political Contributions, Donations, and Gifts and Entertainment to Public Servants

1. Unicharm ensures that political contributions and donations to various organizations are made in a transparent manner by means of an internal approval process.
2. Unicharm does not provide gifts or entertainment to public servants or persons in equivalent positions nor makes facilitating payments to facilitate official procedures.

Preparation for Disasters, Infectious Diseases, Anti-Social Forces, Cyberattacks, and Other Risks

1. Unicharm takes appropriate actions in the event of disasters, infectious diseases, terrorism, and other crisis based on the crisis management manual.
2. Unicharm does not engage in relationships with anti-social forces or respond to any requests from them by taking a resolute stance in cooperation with the local police.
3. Unicharm strives to establish the most advanced cybersecurity management system.

Management Structure

The ESG Committee, chaired by the president & CEO, monitors and supervises all activities related to social responsibility centered around a framework of quality, safety, and the environment. Specifically, the ESG Committee ensures the legality, fairness, and soundness of business activities and reports regularly to the Board of Directors.

Moreover, the Compliance Hotline has been established as a consultation and whistleblowing contact point for violations of laws and regulations, internal regulations, and major corporate ethics while the Ring-Ring Employee Hotline has been established for problems in the workplace, such as internal harassment acts and interpersonal issues, as part of efforts to develop and enhance the compliance structure. The Corporate Ethics Office has been established within the ESG Division as the contact point for the management of these bodies. In the event of a serious problem, the executive officer in charge of the Corporate Ethics Office takes the helm to resolve the issue by convening the Corporate Ethics Committee, which consists of all members of the Audit & Supervisory Committee. The Corporate Ethics Committee reports on the actions it has taken to the Board of Directors so that the effectiveness of the committee can be verified on a regular basis.

In addition, in order to conduct audits on whether business execution in each division is being conducted appropriately in accordance with laws and regulations, and to provide advice as necessary, the Internal Audit Department has been established to serve as an internal auditing section that is independent from each business execution division and is directly supervised by the president & CEO and to conduct internal audits on all Group companies.

► Compliance Promotion Structure



Indicators and Targets

► Kyo-sei Life Vision 2035: Unicharm Principles

Indicator	Target	Target Year
No. of serious compliance violation	Zero	Every year

Initiatives and Results

Prohibition of Insider Trading

To prevent directors, executive officers, and employees from engaging in insider trading, Unicharm established the Insider Trading Prevention Regulations. The executive officer in charge of ESG, who is appointed by the president & CEO, is designated as the person responsible for managing insider information in order to prevent illegal acts. In addition to ensuring internal awareness of our zero-tolerance stance on insider trading, we require the submission of a trade notice for Unicharm's shares whenever they are traded and set specific limits on the trading of such shares based on the circumstances of the positions, roles, and departments of directors, executive officers, and employees.

Anti-Corruption Measures

The Board of Directors has established policies to prevent all forms of corruption including bribery and such efforts are also being conducted in conjunction with the related departments. In addition, the Unicharm Group Sustainable Procurement Guidelines, which aim to maintain fair relationships with suppliers and prevent acts of corruption in transactions, clearly indicate the necessity of compliance with laws, regulations, and social norms and fair trade, as well as the prohibition of bribery and kickbacks, and promote the comprehensive prevention of corruption in transactions.

Regular Reviews of the Effectiveness of the Standard of Conduct

The Company confirms the effectiveness of its standard of conduct through monitoring using the employee awareness survey and internal audits conducted annually and revises this standard as necessary. The Company renamed the Unicharm Group Action Guidelines to the Unicharm Group Charter of Actions on February 10, 2021.

Fines, Surcharges, Settlements, and Dismissals Resulting from Acts of Corruption

In fiscal 2025, there were no fines, surcharges, or settlements resulting from acts of bribery or other forms of corruption, including facilitation payments. In addition, there were no disciplinary actions imposed on employees for such acts.

	Fiscal 2023	Fiscal 2024	Fiscal 2025	Coverage
No. of fines, surcharges, and settlements resulting from serious legal violations related to corruption and bribery	0	0	0	Unicharm Corporation
Amount of fines, surcharges, and settlements resulting from serious legal violations related to corruption and bribery (yen)	0	0	0	
No. of employees subject to disciplinary action due to acts of corruption or bribery	1	0	0	

Whistleblowing System

The Compliance Hotline has been established for Group employees, both within and outside Japan, as a consultation and whistleblowing contact point for the violation of laws and regulations, violation of internal regulations and acts of corruption such as the taking and receiving of bribes, or major corporate ethics violations. The Ring-Ring Employee Hotline has been established for employees to report or receive consultation on their concerns over human rights issues, acts of harassment, and workplace interpersonal issues. In principle, the system is available to all executives and employees*¹ of the Company and its subsidiaries and affiliates, who can then remain anonymous when reporting or receiving consultation.

The privacy of those who use this system is respected and every effort possible is made to ensure that they do not suffer any disadvantage from receiving consultation or reporting violations. In addition, if it becomes necessary to involve a third party, the whistleblower's consent will be sought. Along with the Compliance Hotline and the Ring-Ring Employee Hotline, Unicharm has also put in place a system that makes it easy for employees and their families to consult with external organizations.

Overseas, similar hotlines have been established and are being operated at our subsidiaries in China, Taiwan–Greater China, Thailand, Indonesia, Malaysia, Singapore, India, Brazil, South Korea, the United States, Vietnam, Saudi Arabia, Egypt, and Australia.

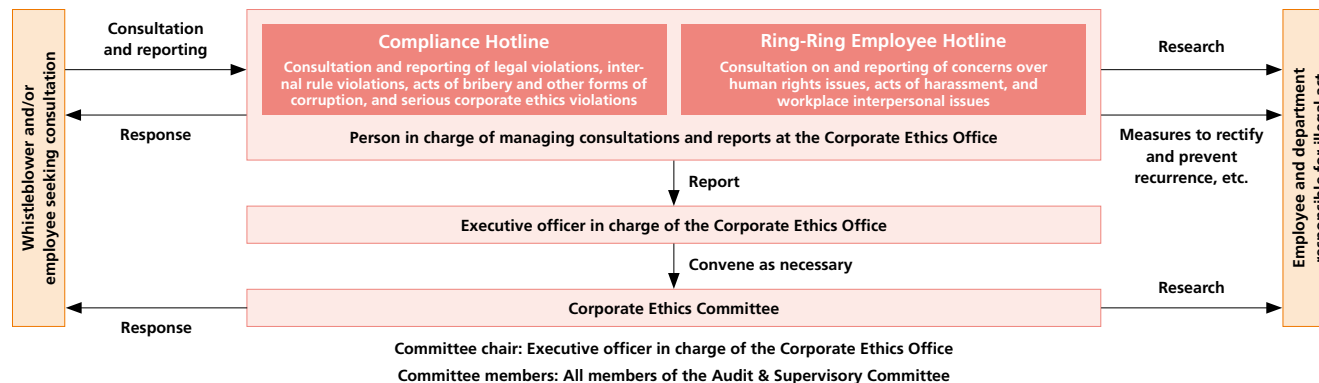
*¹ Includes contract, part-time, temporary, and dispatched employees, and former employees who resigned within a year

▶ No. of Consultations and Reports via the Whistleblowing System

	Fiscal 2023	Fiscal 2024	Fiscal 2025
No. of consultation/whistleblowing cases (Japan)	165	210	208
No. of consultation/whistleblowing cases (overseas)* ²	48	56	109
Of which, are in violation of compliance	0	0	0

*² Unicharm's local subsidiaries in China, Taiwan–Greater China, Thailand, Indonesia, Malaysia, Singapore, India, Brazil, South Korea, the United States, Vietnam, Saudi Arabia, Egypt, and Australia

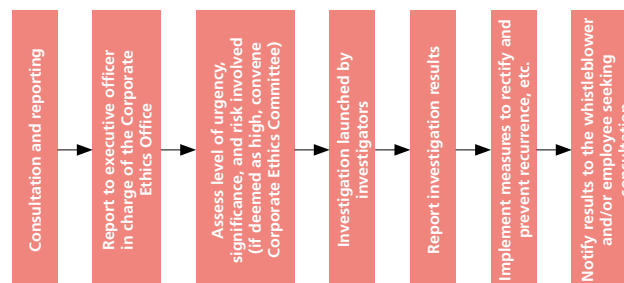
▶ Whistleblowing System Response Process



Investigation Process

Matters reported and for which consultation is sought are handled in accordance with the Consultation and Whistleblowing Management Regulations of the Corporate Ethics Office and whistleblowers and employees receiving consultation are notified of the results, with the exception of those who requested anonymity. Furthermore, the Corporate Ethics Committee reports on its activities to the Board of Directors once a year.

▶ Investigation Process



Response to Serious Compliance Violations

At Unicharm, we define a "serious compliance violation" as one that impairs our corporate value, has an adverse impact on our business operations, and requires external information disclosure. Aiming to achieve our target of zero compliance violations as declared in Kyo-sei Life Vision 2035, we are taking appropriate measures to enhance compliance awareness. In fiscal 2025, there was one case of serious compliance violation.

Initiatives to Raise Compliance Awareness

The Unicharm Group Charter of Actions, which all Group employees are required to comply with at all times, states the behaviors that should be kept in mind in order to achieve our pledge to each stakeholder and, through the recital of this charter, we are working to improve awareness of compliance in relation to issues such as corruption prevention. In addition, compliance-related questions have been added to the employee awareness survey, which is conducted across the Group each year, to prevent acts of fraud, enhance awareness of legal compliance, and monitor compliance awareness.

P.88 Employee Awareness Survey

Compliance Education and Training

Aiming to raise awareness of compliance with laws and regulations and prevent problems from occurring, Unicharm holds workshops, distributes email newsletters, and posts information on the company intranet to constantly share details of revised laws and compliance information related to its business as a means to enhance compliance awareness throughout the Group. In addition, we held a workshop on the whistleblowing system for department heads and scrum leaders in conjunction with the amendments to the Whistleblower Protection Act in June 2022.

► Measures to Raise Compliance Awareness

Target	Details	Fiscal 2025 Results	
		No. of Times	No. of Attendees
All employees	All areas of compliance (distribution through email newsletters and posting on company intranet)	6	All employees
New employees	Compliance and basis of contracts	1	61
Employees to be posted overseas (pre-posting training)	Prohibition of bribery, protection of confidential information, contract compliance, etc.	2	27
Divisional basis	Setting of themes according to business activity and holding of workshops	2	396

Harassment Prevention

Unicharm has established the Harassment Prevention Regulations with the goal of establishing a comfortable workplace environment. According to these regulations, any act in the workplace that causes disadvantage or loss to others, damages their dignity, or infringes on their human rights is defined as “harassment” regardless of the intentions of the person responsible and is completely forbidden by the Company. Moreover, a curriculum on harassment prevention is covered in our training according to levels and roles, training for new leaders, and diversity and inclusion training.

	Fiscal 2023	Fiscal 2024	Fiscal 2025	Coverage
No. of participants in harassment prevention manager training	21	495	407	Unicharm Corporation
No. of participants in new leader training	21	46	43	

Prevention of Workplace Harassment (India)

To ensure compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act established in 2013, Unicharm’s local subsidiary in India conducts training on sexual harassment in the workplace, the possible consequences of such behavior, and the procedures for filing complaints. In fiscal 2025, training was held seven times at the factories and the head office of our local subsidiary in India, in which 253 employees participated.

Compliance

Tax Compliance

207-1,207-2,207-3,207-4

Our Basic Approach and Strategy

The Unicharm Ideals state that “we strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities.” To put this into practice, we embody our philosophy in the Unicharm Group Charter of Actions, instilling awareness in all employees and ensuring compliance across the Group. With respect to taxation, our basic policy is to comply with the tax laws of the countries and regions in which we operate and to act appropriately in accordance with the principle of tax fairness. Specifically, for the purpose of maintaining and improving tax compliance, the Company is working to establish and maintain an appropriate tax management system, in accordance with the Unicharm Group Shared Policy on Tax, which has been approved by the Board of Directors.

Support for the BEPS Project

Recognizing the purpose of the Inclusive Framework on Base Erosion and Profit Shifting (BEPS), a project led by the Organisation for Economic Co-operation and Development (OECD), the Unicharm Group pays special attention to ensure that transactions are conducted for legitimate business purposes and real business activities, in order to prevent the transfer of tax sources to tax havens (countries or regions with no or lower taxes) for the purpose of excess tax savings. In addition, the Company pays due consideration to two frameworks being introduced in various countries in response to BEPS 2.0 requirements: Pillar One, which aims to allocate a portion of profits to market jurisdictions and Pillar Two, which is designed to introduce a global minimum tax on multinational enterprises. Through these efforts, we strive to ensure that taxes are paid appropriately in the regions in which we operate. Furthermore, in order to ensure that transactions between Group companies comply with the tax laws of each country and region, as well as OECD guidelines

and appropriate transfer pricing transactions based on arm’s-length principles, Unicharm has established its own Transfer Price Regulations and will work to ensure that international income is allocated appropriately in accordance with the contributions of each Group company. Moreover, when necessary, we apply for qualifications of bilateral advance pricing agreements in order to prevent double taxation due to transfer pricing taxation.

► Unicharm Group Shared Policy on Tax (Excerpt)

(Compliance with Tax Laws)

Article 1. Unicharm Corporation (hereinafter the “parent entity”) and its subsidiaries shall conduct business activities in compliance with the relevant tax laws of each country and region in which the parent and its subsidiaries operate, as well as international standards, to fulfill the corporate social responsibilities of a global enterprise.

Article 2. The parent entity and its subsidiaries shall develop strong and mutually respectful relationships with tax authorities through the timely and appropriate provision of relevant tax information, for the purpose of greater transparency. Furthermore, as needed, the parent entity and its subsidiaries shall consent to arrangements such as advance ruling for the purpose of eliminating uncertainties.

(Filings, Payments, etc.)

Article 3 Accounting managers shall file tax returns and make payments appropriately and within time limits in accordance with the relevant tax laws of each country and region.

2. In the event of an identified underpayment or overpayment in accordance with the relevant tax laws of each country and region, accounting managers shall consult with external tax advisors, etc., and proceed with the appropriate and timely resolution of payments or refunds.

3. Accounting managers shall appropriately make individual applications, for example filing for tax treaties, etc., according to the details of each transaction.

Management Structure

In each country and region in which it operates, Unicharm appoints accounting managers with tax-related expertise and has established organizations and systems to maintain and improve tax compliance. To ensure the appropriateness of tax management, important transactions are made based on an

approval process in which the executive officer in charge of accounting and finance at Unicharm Corporation, who is responsible for tax-related matters, participates as a consultant to confirm the appropriateness of transactions under tax laws. In addition, the Audit & Supervisory Committee, which oversees the implementation of corporate tax policies, reports the results of tax audits to the Company’s Board of Directors. Moreover, we have established, developed, and operate an internal control system to ensure appropriate accounting treatment and financial reporting. The effectiveness of this system is evaluated through audits by the accounting auditor and the Audit & Supervisory Committee. Furthermore, to maintain tax compliance from the perspective of third-party experts, we effectively and efficiently utilize external tax advisors. To raise internal awareness of tax compliance, we conduct regular employee training on tax-related matters, including through e-learning seminars. During tax audits, the executive officer in charge of accounting and finance reports the progress and results of audits to the representative director, president & CEO and the Audit & Supervisory Committee as appropriate, and measures are taken across the Group to continuously enhance tax compliance.

Initiatives and Results

► Tax Payments by Country/Region

(Million yen)

	Fiscal 2023	Fiscal 2024	Fiscal 2025
Japan	25,102	29,155	25,610
China	3,984	1,621	463
Vietnam	463	1,978	1,798
Saudi Arabia	2,168	2,586	3,399
Thailand	1,963	3,774	1,836
Other regions	6,459	8,278	7,927
Total	40,139	47,393	41,032

Note: The impact of Pillar Two on corporate tax payments is expected to be minimal.

Risk Management

Risk Management

2-16

Our Basic Approach and Strategy

The Unicharm Ideals state that “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.” And we always strive to create new value and set the fulfilling our social responsibilities through our business as the basis of our corporate activities. To ensure we realize these ideals, we identify all potential risks surrounding our business and eliminate them to the extent possible. At the same time, in the unlikely event that adverse impacts do occur, we have established a series of responses positioned as important management priorities that include taking prompt corrective action to minimize damage and implementing permanent measures to prevent their recurrence. In view of this, the Company has established a Groupwide risk management system, defining risk as “uncertainties (events) that could affect corporate value”

and classifying and managing risk into three categories: strategic risks, significant operational risks, and operational risks.

The ultimate decision-making and oversight responsibility for risk management lies with the Board of Directors. While overseeing the code of conduct and code of ethics, the Board of Directors analyzes and evaluates risks that are reported by each department, and if necessary, leads the formulation of improvement proposals, which are then deliberated and decided upon. The Audit & Supervisory Committee, comprising a majority of outside directors, fulfills its role by implementing various audits as required by laws and regulations. Additionally, in the event that risks occur requiring an urgent response, including those not classified as “business and other risks,” the Risk Committee, chaired by the executive officer responsible for the Corporate Planning Division and with the executive officers responsible for the governance, legal affairs, and corporate finance and accounting departments serving as standing members, will quickly meet to

discuss and respond to the identified risks. Furthermore, in the event of a serious crisis, a Crisis Management Team (CMT) will be established in accordance with the Crisis Communication Manual (CCM, revised January 1, 2025 and amended April 16, 2025), which stipulates crisis management protocols, in an effort to respond rapidly and appropriately and resume operations as quickly as possible.

“Business and other risks” are significant risks that could impair the Company’s financial standing and management results. As we have implemented various business and other risk countermeasures, these risks are not likely to seriously impact our business operations at the present time. In addition, the timing and extent to which these risks could emerge in the future are unknown. Business and other risks that could impact business operations in the future are not restricted to those listed below.

► Uncertainties (Events) That Could Affect Corporate Value

Classification	Definition	Management Method
Strategic risks	Risks that may affect management strategies, business plans, and other matters decided by the Board of Directors of Unicharm Corporation and the execution thereof	The Board of Directors, based on the results of deliberations by the Risk Committee, takes these risks into consideration when making decisions. The Board of Directors will monitor the situation after decisions are made on the basis of regular reports to the Board of Directors or through discussions by all Directors.
Significant operational risks	Risks that, if materialized, could significantly impede the execution of the Group’s business or damage its reputation	The Risk Committee will compile a list of the severity (impact × likelihood of occurrence) of these risks and the level of response readiness. The results of control self-assessments (CSA) and business audits conducted by the Internal Audit Department are taken into consideration in determining the level of response readiness. The reports are made to the Board of Directors at least once a year following periodic review from the standpoint of changes in severity and whether there are any issues with the response readiness policy, and the Board of Directors monitors the situation.
Operational risks	Risks that can be prevented or mitigated to an acceptable extent through compliance with policies, rules, guidelines and operation processes established for daily business activities	The executive officer in charge shall be responsible for risk management and allocate management resources and execute management decisions based on these risks.

► Business and Other Risks

Strategic risks and significant operational risks are reviewed at least once a year and reported to the Board of Directors. Strategic risks and significant operational risks identified during the fiscal year under review and the measures taken to address these risks are as follows.

Method of Evaluating Risks

- **Impact:** Evaluated on a 3-point scale, in comprehensive consideration of the impact on human resources, tangible and intangible assets, reputation, and financial conditions. Evaluation of financial impact adopts the ratio relative to profit before tax as the quantitative criterion, with “5.0% or more” of the profit as “3: serious impact,” “0.1% or more but less than 5.0%” as “2: certain level of impact,” and “less than 0.1%” as “1: minor impact.”
- **Likelihood of occurrence:** The frequency is evaluated on a 3-point scale (3: materialized, 2: may materialize within three years, and 1: likelihood of materializing is low)

① Strategic Risks

Item	Changes in Consumer Behavior		Changes in Distribution Channels	
Risk events and impacts	If the Group's products and services fail to respond in a timely and appropriate manner to rapid changes in consumer values or purchasing behavior or fluctuations in the macroeconomic environment, we may lose our competitive advantage in the market or damage our brand value, resulting in a decline in revenue and market share.		If we are slow to restructure our sales strategies and supply chains in response to dramatic changes in the distribution structure caused by rapid expansion of online sales channels, we may miss out on new growth opportunities and our presence in existing channels may diminish, which may result in a decline in revenue and market share.	
Factors	• Diversification of information gathering and purchasing processes along with shorter cycles of consumption trends, driven by the evolution of digital technology and widespread use of social media • Global economic downturn and inflationary pressures leading to reduced spending on daily necessities and a shift in demand towards lower-priced goods		Changes in consumer purchasing behavior due to the expansion of the e-commerce (EC) market and the diversification of sales methods through digital channels, such as social media and live commerce	
Evaluation	Impact	3	Impact	3
Measures	• We are proactively leveraging digital technologies such as generative AI to build a system that identifies and analyzes insights in real time from vast amounts of consumer data. • We are driving efforts to shorten development and production lead times to enable immediate development of products inspired by rapidly changing trends. We also flexibly review our brand and price portfolio in response to changes in the market environment in each region.		• We are strengthening strategic partnerships with major EC platform operators and collaborating with existing retailers to promote initiatives that integrate physical and digital channels, thereby maximizing our contact points with customers. • We are strengthening our direct-to-consumer (D2C) sales channels through our own EC and social media, accumulating proprietary data through direct interactions with our customers. • Insights gained are being applied not only to optimize marketing strategies but also to enhance sales proposals for existing distribution channels.	

Item	Changes in Competitive Environment		Investment Decisions	
Risk events and impacts	A delay in responding to the intensifying competition in the market (including changes in the competitive environment due to market entries of new players that transcend existing frameworks and changes in roles in the supply chain) may lead to reduced profitability due to price competition and a decline in market share.		In investment decisions aimed at achieving business transformation or discontinuous growth, miscalculation of changes in the business environment or delays in post-investment integration processes or business launch may result in an extended period before return on investment or impairment losses. This may adversely affect our financial position and operating results.	
Factors	• Expansion of major global manufacturers through M&A and intensifying price competition due to the rise of manufacturers from emerging countries • Launch of innovative new products by competitors in existing categories • Changes in rules of competition due to the entry of players such as digital platform operators and private brands that transcend traditional industry boundaries • Commoditization of existing product categories due to technological innovation		Deviations from return on investment plans due to the materialization of geopolitical risks and abrupt changes in the macroeconomic environment (interest rates, exchange rates, material prices, etc.) and laws and regulations	
Evaluation	Impact	3	Impact	2
Measures	• To avoid getting caught up in price competition, we are working to maintain and expand our market share by securing absolute superiority in quality through proprietary patented technologies and sustainability initiatives. • We conduct regular and rigorous reviews of our business portfolio. From the perspective of growth potential and capital efficiency, we will prioritize the allocation of management resources to high-value-added fields and high-growth areas. For businesses where a competitive advantage cannot be maintained, we will decisively implement structural reforms, including discontinuance or downsizing.		• To avoid excessive dependence on specific countries or regions, we constantly monitor geopolitical risks and regulatory trends, striving to diversify our supply chains and investments. • When deciding whether to proceed with an investment project, we examine whether it is possible to expect a return that exceeds the cost of capital. In addition, based on risk appetite, the Board of Directors and the Risk Committee evaluate the balance between risk and return.	

② Significant Operational Risks

Significant operational risks are evaluated in terms of impact, likelihood of occurrence, and level of response readiness, and are prioritized and addressed according to evaluation results.

Item	Cyber Security		Natural Disasters and Large-Scale Accidents	
Risk events and impacts	There is a risk that data leaks and system shutdowns or malfunctions due to cyberattacks may result in compensation claims, restoration and response costs, lost profits due to disruption or suspension of operations, and loss of trust over the medium to long term.		If the occurrence of natural disasters such as earthquakes, typhoons and floods, or large-scale accidents causes damage to our Group's production sites or supply chain, prolonged shutdown of operations or disruptions to the supply chain may occur, potentially leading to significant impacts on our business operations, including recovery costs and lost profits due to operational disruptions or shutdowns.	
Evaluation	Impact	3	Likelihood of occurrence	2
Measures	All Group companies in Japan and overseas are implementing a unified security system that combines Endpoint Detection and Response (EDR)* ¹ and Security Operation Center (SOC)* ² to enhance early detection of cyberattacks and strengthen proactive response capabilities. We are also working to continuously improve and expand our IT asset management and incident response systems.		Each Group company in Japan and overseas has formulated its business continuity plan (BCP) and is working to improve the effectiveness of emergency response measures through regular training and educational activities for raising awareness. We have established fire prevention standards globally and conduct checks while continuously improving the status of compliance with these standards at each of our business sites globally. Strengthening the resilience of our supply chain is a material issue, and we are working to build collaboration frameworks for rapid information sharing and supply continuity, including conducting joint drills with major suppliers and establishing a safety confirmation system.	

*1 Endpoint Detection and Response: A security solution that detects and responds to threats at endpoints, such as PCs, smartphones, and servers

*2 Security Operation Center: An organization that monitors networks and devices 24 hours a day, 365 days a year, detecting, analyzing, and responding to cyberattacks

Item	Serious Quality Defects		Climate Change	
Risk events and impacts	Product defects or poor design may lead to fatal accidents or serious health problems, which may result in compensation claims, criminal penalties, brand damage, and lower sales.		There is a risk that the introduction of a carbon tax, as well as higher tax rates and significant fluctuations in energy prices, may result in higher operating costs and higher procurement costs due to soaring raw materials prices. In addition, there is a risk that product development that fails to take into consideration the reduction of greenhouse gas (GHG) emissions may result in loss of trust over the medium to long term.	
Evaluation	Impact	3	Likelihood of occurrence	1
Measures	We have established a mechanism to maintain a consistent level of quality throughout the entire Group. Furthermore, we regularly analyze the situations where nonconformities or complaints occur, and continuously update the management system itself to enable the prompt implementation of corrective actions and the formulation of measures to prevent future recurrence in the event of a serious quality incident. We have established an emergency response system to ensure prompt information disclosure and sincere response in the event of unforeseen circumstances, and have built a highly transparent internal information sharing mechanism.		We utilize primary GHG emissions data by material and promote product development that strikes a balance between the efficient use of materials and reduction of GHG emissions. We will also continue to develop and market products that conform to the SDGs Theme Guideline, an internal guideline for contributing to sustainability, and will advance a roadmap to achieve a 100% ratio of renewable electricity by 2030.	

Item	Protection of Personal Information		AI	
Risk events and impacts	Leakage of personal information due to cyberattacks, human errors or inadequate management systems may result in compensation claims and a loss of social trust. Compliance with laws and regulations of each country and region is essential, particularly in global operations. Should any deficiencies arise in compliance, substantial fines may be imposed, potentially leading to brand damage.		Bias or technical flaws in the algorithms of generative AI or other technologies we introduce may lead to incorrect decision-making or inappropriate dissemination of information, potentially resulting in a loss of social trust and exposure to legal responsibility.	
Evaluation	Impact	2	Likelihood of occurrence	2
Measures	To prevent human error, we will provide ongoing education to our employees regarding the protection of personal information. We will also establish and maintain an emergency response manual to ensure prompt disclosure and prevent damage from spreading in the event of a leakage of information. Furthermore, in order to comply with the personal information protection laws and cross-border data transfer regulations of each country and region, we will enter into intra-group data transfer agreements and thoroughly implement a legally appropriate data management system.		In order to create a safe environment for using AI, we will establish a code of conduct that all Group employees must adhere to. In addition, we will put a checklist in place to determine whether or not generative AI can be used outside the workplace, controlling the risk of copyright infringement or the output of inappropriate content.	

Item	Product Reliability		Exchange Rate Fluctuations	
Risk events and impacts	Product defects and poor design may lead to product recalls, minor health problems, and brand damage. Misrepresentation, false advertisement, and illegal or unethical marketing practices may result in compensation claims, social media backlash, and brand damage.		Depending on the sales revenue and procurement cost of raw materials dominated by foreign currencies, there is a risk that exchange rate fluctuations caused by changes in regulations, economic environment, and situation for both society and politics in certain countries and regions may cause drastic changes in markets and affect the Company's business activity and values of assets held. The financial statements of Group companies denominated in the currency of each country or region are translated into Japanese yen in the consolidated financial statements; as such, there is a risk that the financial standing and business performance of the Company may be negatively affected at the time when the exchange rate shifts to a stronger yen.	
Evaluation	Impact	2	Likelihood of occurrence	3
Measures	In order to provide customers with products that comply with the laws and regulations of each country and region, we have established stringent internal standards that address the laws and regulations of respective countries and regions and ensure quality and product safety, while making sure that all Group companies in Japan and overseas comply with these standards. In order to convey correct information, we have established a system of gate meetings and labeling reviews and conduct strict checks to ensure compliance with relevant laws and regulations as well as evidence-based and appropriate advertising and labeling. We have set up a framework to promptly investigate the cause of complaints on our products and address the problems, if any, regardless of the number of complaints, to ensure reliability of our products is not affected.		We will strive to minimize risk by hedging foreign currency transactions, including raw materials purchases, and by comprehensively taking into account the receivables and payables we hold. In addition, in order to contribute to the stable return of profits to shareholders and the internal circulation of funds, we will control the negative impact of the appreciation of the yen on overseas assets by proactive paying dividends from Group companies that hold funds in excess of their planned investments.	

Item	Creditworthiness of Business Partners		Human Resources (Hiring, Development, and Departure)	
Risk events and impacts	Our major business partners in Japan and overseas may experience bankruptcy or delay payments due to economic downturns, changes in consumption patterns, or unexpected deterioration in the business environment, which may result in accounts receivable and other receivables becoming uncollectible. There is a risk that such an event causes declining net sales or deterioration of business performance due to recognition of provisions and allowances.		There is a risk that delays or failure to hire highly specialized personnel or leadership talent, or the departure of key personnel may delay the implementation of management plans and strategies.	
Evaluation	Impact	2	Likelihood of occurrence	2
Measures	Based on our own Credit Management Regulations, we ensure that strict screening for new transactions is conducted and that credit limits for each business partner are set and regularly reviewed. We continuously monitor the financial conditions of our business partners by such means as utilizing external institutions and strive to identify early signs of payment concerns and other issues. If any risk becomes materialized, we take measures to preserve receivables and minimize losses by such means as changing terms and conditions of transactions. These statuses of creditworthiness are regularly reported to the management, which ensures the establishment of systematic risk management.		Through talent management leveraging data and generative AI, we will place the right person in the right role and systematically select and develop the best successors. We will focus on developing resonant personnel who autonomously drive value creation by highly utilizing the OODA Loop and generative AI, while flexibly recruiting external talent as needed. At the same time, by supporting employees in developing their own careers based on their career visions and career plans, we will enhance their job satisfaction and strengthen employee engagement. This will enable us to maintain and strengthen our sustainable competitiveness through a lean organizational structure with talented personnel.	

Item	Workplace Accidents	
Risk events and impacts	The occurrence of fatalities and serious permanent disabilities resulting from workplace accidents as well as mental health issues stemming from overwork or other similar factors may not only result in the loss of precious lives and damage to health, but could also lead to a decline in employee morale, long-term absenteeism, and reduced engagement, thereby hindering the implementation of medium- to long-term management plans.	
Evaluation	Impact	2
Measures	In accordance with the Safety and Health Management Regulations, we have established a workplace environment that places the highest priority on ensuring the safety of our employees and maintaining and improving their health. In addition to thoroughly implementing a system in which managers consistently check on the mental and physical health of their subordinates and practice early detection and prompt response, we hold monthly discussions on measures for promoting employee health at meetings of the Safety and Health Committee, which includes industrial physicians and public health nurses. Additionally, we promote the creation of a workplace that is safe and comfortable in both physical and mental terms through OSHMS operations and the obtaining of ISO 45001 certification at our production sites, preventive measures based on risk assessments, and efforts to raise awareness through "Occupational Safety Day."	

Within risk management, the Company has determined that quality and the natural environment also fall under "important business and other risks" that occur in the manufacturing industry. In order to respond to these issues in an organized and appropriate manner, we have established various measures using reference frameworks, including COSO (an internal control framework proposed by the Committee of Sponsoring Organizations of the Treadway Commission in the United States) and ISO, as shown on the right.

Also, business continuity risks that arise in the event of a disaster are managed individually through a separately established business continuity plan (BCP).

► Primary Reference Frameworks

- COSO, ISO 9001, ISO 14001, ISO 10002, ISO 13485, ISO 14971

Management Structure

The Group has established a risk management system as shown in the diagram on the right. Under the supervision of the Board of Directors of Unicharm Corporation, the representative director, president & CEO determines the basic policy for risk management of the Unicharm Group. In order to ensure effective and efficient risk management, executive officers of Unicharm Corporation are allocated the necessary authority, responsibilities, and management resources, and the Risk Committee compiles risk information of the Group as a whole and reports regularly to the Board of Directors. In addition, an independent Internal Audit Department has been established to oversee these activities.

Through an integrated risk management cycle that identifies, assesses, responds to, and monitors risks from a Groupwide perspective while capturing changes in the external environment in a timely manner, the Risk Committee conducts multifaceted risk analysis and evaluation in advance of important management decisions, such as new business development and overseas expansion. These efforts go beyond simply mitigating risks and are aimed at achieving appropriate risk-taking while maximizing growth opportunities. Meanwhile, the ESG Committee's primary focus is on sharing issues and countermeasures related to sustainability-based risk management. Sustainability-focused risks discussed by the ESG Committee are prioritized based on Groupwide evaluation criteria, taking into account both financial impact and likelihood of occurrence. As part of a Groupwide PDCA cycle, this information is closely coordinated with the Risk Committee and integrated into management strategy—not only as standalone risks, but also with consideration given to their interactions with existing business risks. The status of these initiatives is reported to the Board of Directors on a regular basis.

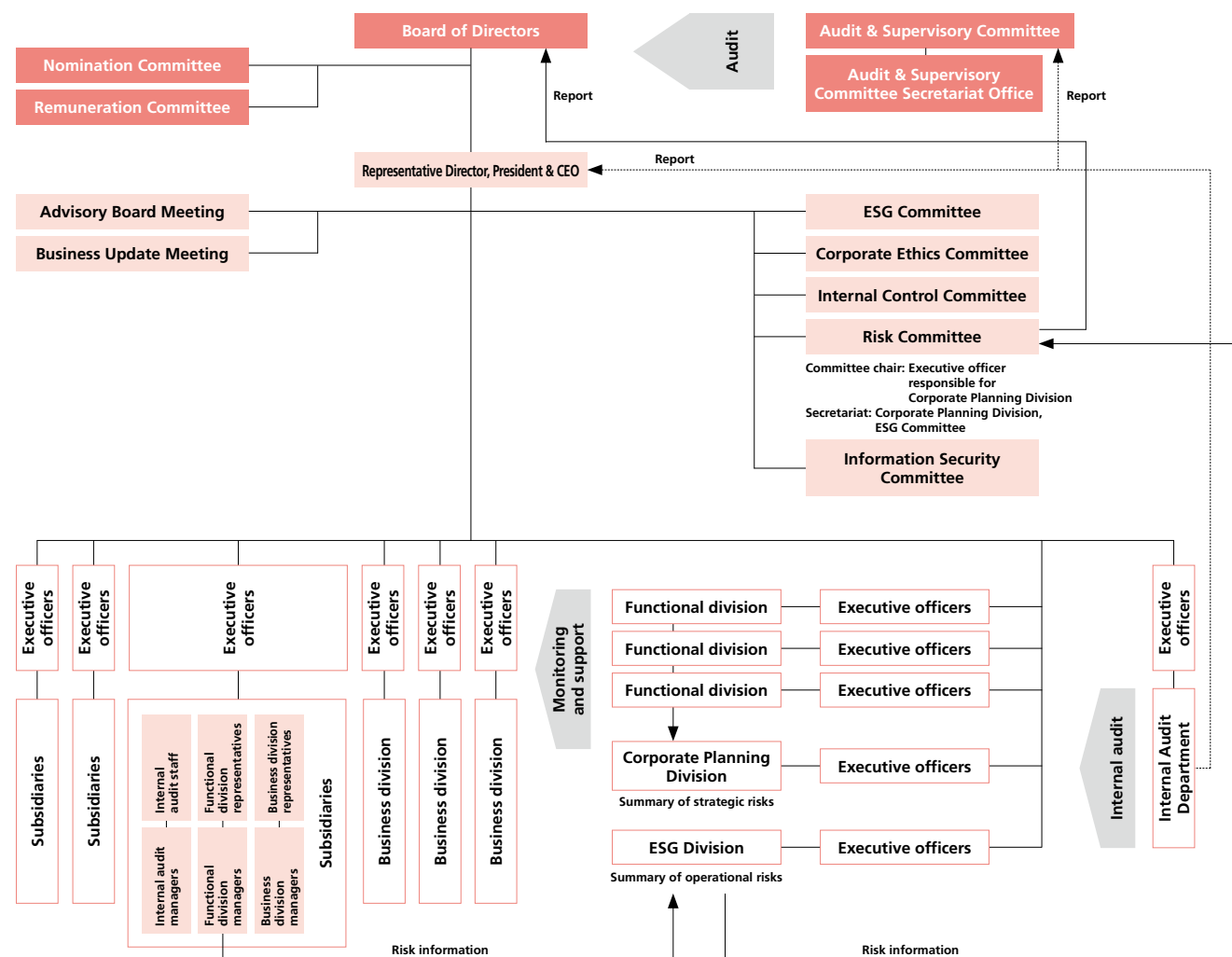
Furthermore, in recognition of prohibitions on insider trading, compliance with antitrust laws, the elimination of child labor and forced labor, and the protection of personal information as important issues, we established the Unicharm Group Charter of Actions and require all employees to be aware of and use it as a guideline for their conduct.

Additionally, to comprehensively address risks of corruption, including insider trading and bribery, we are strengthening compliance education through various training programs and e-learning for employees working in countries and regions where these issues are likely to arise. Moreover, Unicharm provides employees with cautionary information on insider trading via the Company intranet and conducts internal audits as

measures to prevent corruption. Audit results are reported to the representative director, president & CEO and the full-time Audit & Supervisory Committee members, and regular reports are made to the Audit & Supervisory Committee to verify the effectiveness of the audits.

P.8 Sustainability Promotion System

► **Risk Management System**



Response to the Occurrence of a Crisis

In the event of a serious crisis, a Crisis Management Team (CMT) will be established in accordance with the Crisis Communication Manual (CCM), which stipulates crisis management protocols, in an effort to respond rapidly and appropriately and resume operations as quickly as possible. Specifically, we position the 12 major risks shown on the right as being particularly serious, and have assigned departments responsible for each risk. The risk manager is the executive officer in charge of the responsible department, and when a risk turns into a crisis and the CMT is launched, the risk manager selects the members and the CMT chair convenes the meeting.

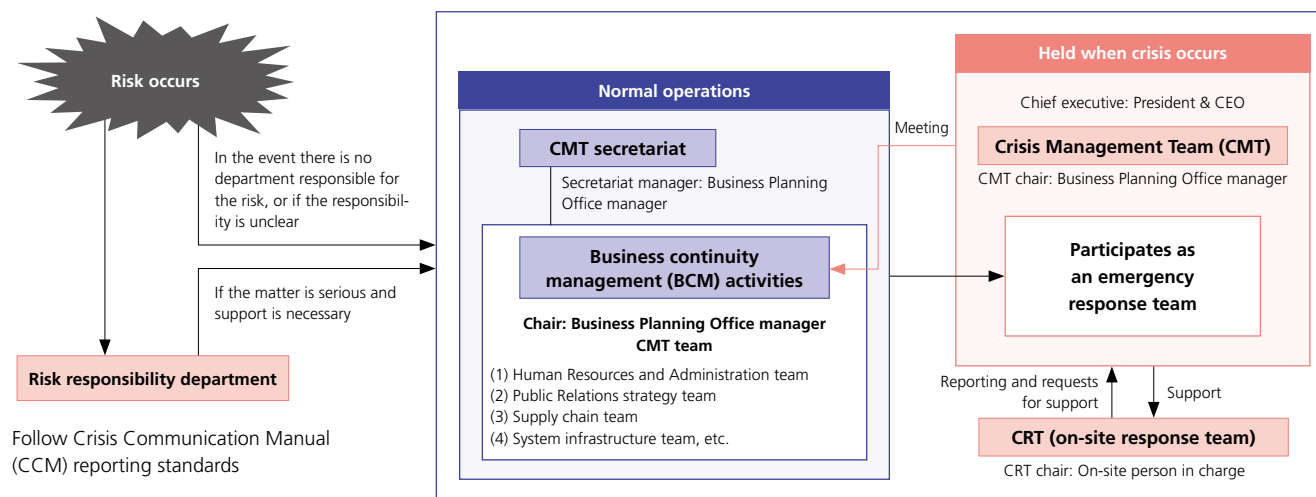
When a crisis does occur, Unicharm fulfills its social responsibility by assessing the situation in accordance with the CCM, working to prevent further damage and communicating appropriately with stakeholders.

Major Risks

	Major Risks	Specific Cases
1	Quality	Product defects, foreign matter contamination, health hazards, etc.
2	Labeling	Violations of labeling-related laws and regulations, packaging errors, etc.
3	Disasters	1) Man-made disasters and accidents (fires, explosions, etc.) 2) Natural disasters (earthquakes, typhoons, floods, lightning strikes, etc.)
4	Supplier- and vendor-related	Supply disruptions, supplier recalls, vendors illegally dumping our company products, etc.
5	Information accidents	Personal information and corporate secret leaks, industrial espionage, cyberattacks, business email fraud, impersonation of top management, etc.
6	Reputational damage	Spread of slander through SNS, video sites, and other media, etc.
7	Pandemics	COVID-19, novel influenza, viral infectious diseases, etc.
8	Occupational safety	Accidents during work hours, excessive overtime hours, abductions, etc.
9	Human rights	Human rights violation, sexual harassment, workplace harassment (power harassment), etc.
10	Environment	Illegal dumping of Unicharm products, neglect of undisposed products, soil contamination, etc.
11	Senior management- or executive-related	1) Accidents resulting in injury or death, abductions and kidnapping 2) Slander of executives and senior management 3) Corruption of executives
12	Disputes or political changes	Military coups d'état, wars, riots, terrorism, etc.

Framework in Response to the Occurrence of a Crisis

Updated January 2025



Initiatives and Results

Crisis Management and Business Continuity Planning (BCP)

Unicharm positions the protection of employee safety, the fulfillment of supply responsibilities, and early recovery in the event of large scale disasters or unforeseen incidents as critical management priorities.

1. Ensuring Employee Safety

We place the highest priority on ensuring the safety of our employees, who form the foundation of all business activities. In physical crises such as natural disasters, pandemics, or terrorism, protecting the lives of employees and their families is an absolute prerequisite.

2. Fulfillment of Supply Responsibilities

As a manufacturer of daily necessities, we strive to maintain and continue product supply to the greatest extent possible to meet the needs and expectations of customers and society.

3. Early Recovery

In the event of disasters, system failures, or supply chain disruptions, we aim to restore business operations at an early stage using alternative measures, thereby minimizing damage to corporate value.

The status of BCP operations and response policies is reported regularly to the Board of Directors through the Risk Committee. Under the oversight of management, we have established a framework to enhance resilience across the Group.

Evolution and Establishment of BCP in Japan

In Japan, the BCP originally formulated in fiscal 2005—based on emergency scenarios such as a major earthquake directly under the Tokyo metropolitan area or the Nankai Trough earthquake—was substantially revised in fiscal 2024 to adopt an all hazards approach. In fiscal 2025, we transitioned to an operation and execution phase, focusing on embedding these measures across the Group and ensuring their effectiveness during actual emergencies.

To strengthen business continuity across the entire value chain while ensuring the safety of employees and their families, we have introduced mechanisms that enable rapid situational awareness and early response at the time of a disaster. These include a smartphone accessible disaster message board and tools that allow real time detection and confirmation of conditions in affected areas. As a result, disaster related information can be aggregated and shared in a timely and highly accurate manner. This enables critical information necessary for decision making to be swiftly communicated to management, while at affected sites where confusion is expected, minimizing the burden on employees in reporting information, allowing them to focus on immediate safety and recovery activities.

In addition to conventional safety confirmation systems, we provide all employees of Group companies in Japan with a smartphone application-based internal site, the Business Continuity Management (BCM) Portal, which enables rapid response in emergencies. We also conduct regular disaster preparedness drills at each site, functional drills by department, and Groupwide safety confirmation drills. In fiscal 2025, we conducted coordinated drills across Group companies in Japan assuming a major earthquake in the Tokyo metropolitan area, with particular emphasis on strengthening initial response, safety assurance, and disaster response headquarters functions. At the same time, we regularly redevelop our relief supply systems to quickly deliver daily necessities to disaster-affected areas and review procedures for restoring critical operations with a focus on securing head office functions.

Preparedness for Overseas Risks

In line with our global business expansion, we are strengthening risk management according to the characteristics of each country and region. In fiscal 2025, we created new manuals to address country risks, including riots, terrorism, and political instability overseas. Going forward, we will strive to develop a system in both Japan and overseas that ensures employee safety and the fulfillment of our supply responsibilities under all emergency situations.

Overview of the BCP

- (1) Basic requirements (basic policy, assumed risks, impact assessment, damage estimation, matters to be dealt with in an emergency)
- (2) Important standards of conduct related to the safety of the lives of employees and their families
- (3) Specific measures to ensure that critical operations are restored within the target recovery time and business continuity
- (4) Measures for cooperation with and contribution to the local community, which are important issues to be addressed along with business continuity
- (5) Measures necessary to implement the BCP, such as education and training, inspection and review, and continuous improvement

Rigorous Information Security

To ensure rigorous information security, Unicharm has set out information security principles and procedures such as the Information Security Policy and Information Security Rules. We also have in place the Personal Information Protection Regulations and Specified Personal Information Handling Regulations to safeguard our customers' personal information, and we strictly manage this information and take precautions to prevent information leaks. To ensure these rules are strictly observed, we established the Information Security Committee, chaired by the executive officer in charge of information security comprising Company directors and executive officers. The Information Security Committee earmarks one day of each month as an information management day on which we highlight a different security topic to remind employees about the risks of specific information leaks. We continue to develop such measures, provide employee training, and monitor progress to improve the security of information management across the Group.

In Japan, as a physical measure to prevent information leaks through the loss or theft of PCs, smartphones, or other IT devices provided to employees, we have developed a cloud environment in which data and systems can only be used on servers. In fiscal 2022, Unicharm Corporation revised its regulations in accordance with the revisions to the Personal Information Protection Law and made this known to all employees, updating the content of new employee training. We also continue to increase the frequency of our communication with overseas subsidiaries and carry out targeted email attack training and risk assessments in IT fields. Since May 2024, we have held quarterly Information Security Committee meetings attended by all Company executive officers and representatives from subsidiaries. In addition to ascertaining Groupwide information security risks, the committee shares progress updates on promoted activities (identification, prevention, detection, response, and recovery efforts), and discusses issues and countermeasures.

Moreover, in January 2026 we began implementing a unified EDR/SOC framework (24-hours-a-day, 365-days-a-year monitoring system) across 19 Group companies in 11 countries, thereby strengthening our ability to detect cyberattacks at an early stage and respond proactively.

Ensuring Business Continuity Through Securing of Important Bases (Japan)

From the perspective of business continuity, we are implementing BCP measures that include the geographic dispersal of domestic supply bases. For example, in the event of a Nankai Trough earthquake, which is predicted to cause significant damage in western Japan and the Chubu region, we have established a comprehensive system to maintain supplies by utilizing production bases such as Fukushima Factory and Kyushu Factory as alternative bases if production at manufacturing bases such as Shizuoka Factory, Mie Factory, Itami Factory, Shikoku Factory, or other areas is suspended.

Use of Control Self-Assessments

The Company has traditionally used control self-assessments (CSA) as a pre-check tool for on-site audits by our Internal Audit Department. However, aiming to establish a system that prevents misconduct and scandals from occurring, and to correct confirmation items that were biased toward general management and financial management, we reviewed and significantly revised the content in fiscal 2023 based on the characteristics of our business. We have updated the content to serve as a self-check tool for Group consolidated subsidiaries and each department within Unicharm Corporation, and have made it easier to understand for employees using CSA for the first time by incorporating simple language and clearly stating the points to be checked in the form of questions.

In fiscal 2025, we conducted CSA at consolidated subsidiaries both overseas and in Japan, as well as in each Unicharm Corporation department, with the Internal Audit Department confirming assessment details. After confirmation, the Internal Audit Department sent feedback reports to the subsidiaries and departments that had submitted CSA, highlighting areas for improvement and points to bear in mind.

Data

CONTENTS

- 142 Environmental Data
(Summary of data on P.20–60)
- 150 Social Data
(Summary of data on P.61–116)
- 155 Governance Data
(Summary of data on P.117–140)
- 159 Reference Chart for Key Themes of
Kyo-sei Life Vision 2035
- 160 External Evaluations
- 161 Independent Assurance Report

Environmental Data

102-4,102-5,102-6,102-7,102-8,102-9,103-2,103-3,103-4,103-5,301-1,303-3,303-4,303-5,306-1,306-3,306-4

Environmental Management

► Sites for which data has been compiled (100% of net sales)

All business locations inside Japan (however, data of sales offices and Unicharm Mölnlycke K.K. has been collected only for fuel, electricity, and CO₂)

Unicharm Corporation (headquarters, sales offices, and R&D), Unicharm Products Co., Ltd. (Fukushima Factory, Shizuoka Factory, Shikoku Factory, Kyushu Factory, Itami Factory, Mie Factory, and Saitama Factory*), Unicharm Kokko Nonwoven Co., Ltd. (Toyohama Manufacturing Team, Kawano Manufacturing Team, Kokko Manufacturing Team), Cosmotec Corporation, Unicharm Mölnlycke K.K., Peparlet Co., Ltd., and Kinsei Products Co., Ltd.

Overseas (manufacturing locations only)

China: Unicharm Consumer Products (China) Co., Ltd. (Shanghai Factory, Tianjin Factory, Jiangsu Factory), Unicharm Nonwoven (Tianjin) Co., Ltd., and Unicharm Packaging Material (Tianjin) Co., Ltd.

Indonesia: PT UNI-CHARM INDONESIA TBK (Karawang Factory and East Java Factory), PT UNICHARM NONWOVEN INDONESIA

Thailand: Uni Charm (Thailand) Co., Ltd. (Wellgrow Factory) and DSG International (Thailand) Public Company Limited

India: Unicharm India Private Limited (Sri City Factory, Neemrana Factory, and Ahmedabad Factory) Taiwan–Greater China: UNITED CHARM COMPANY LTD. (Junan Factory)

Vietnam: Diana Unicharm Joint Stock Company (Bắc Ninh Factory)

United States: The Hartz Mountain Corporation (Hartz Pleasant Plain Factory)

South Korea: LG Unicharm Co., Ltd. (Gumi Factory)

Saudi Arabia: Unicharm Gulf Hygienic Industries Ltd. (Riyadh Factory)

Egypt: Unicharm Middle East & North Africa Hygienic Industries S.A.E. (Ramadan Factory)

Brazil: UNICHARM DO BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS DE HIGIENE LTDA. (São Paulo Factory)

Myanmar: Unicharm Myanmar Company Limited

Malaysia: DSG (MALAYSIA) SDN. BHD.

* The operations of the Itami Factory, Mie Factory, and Saitama Factory were transferred from Unicharm Corporation to Unicharm Products Co., Ltd. in May 2024.

Policies and standards

Aggregation is based on internal rules concerning the management of environmental information with reference to GHG Protocol.

Numerical data

As a general rule, figures are rounded off to the nearest unit and therefore the **Total** amounts may not necessarily equal the sum of their components.

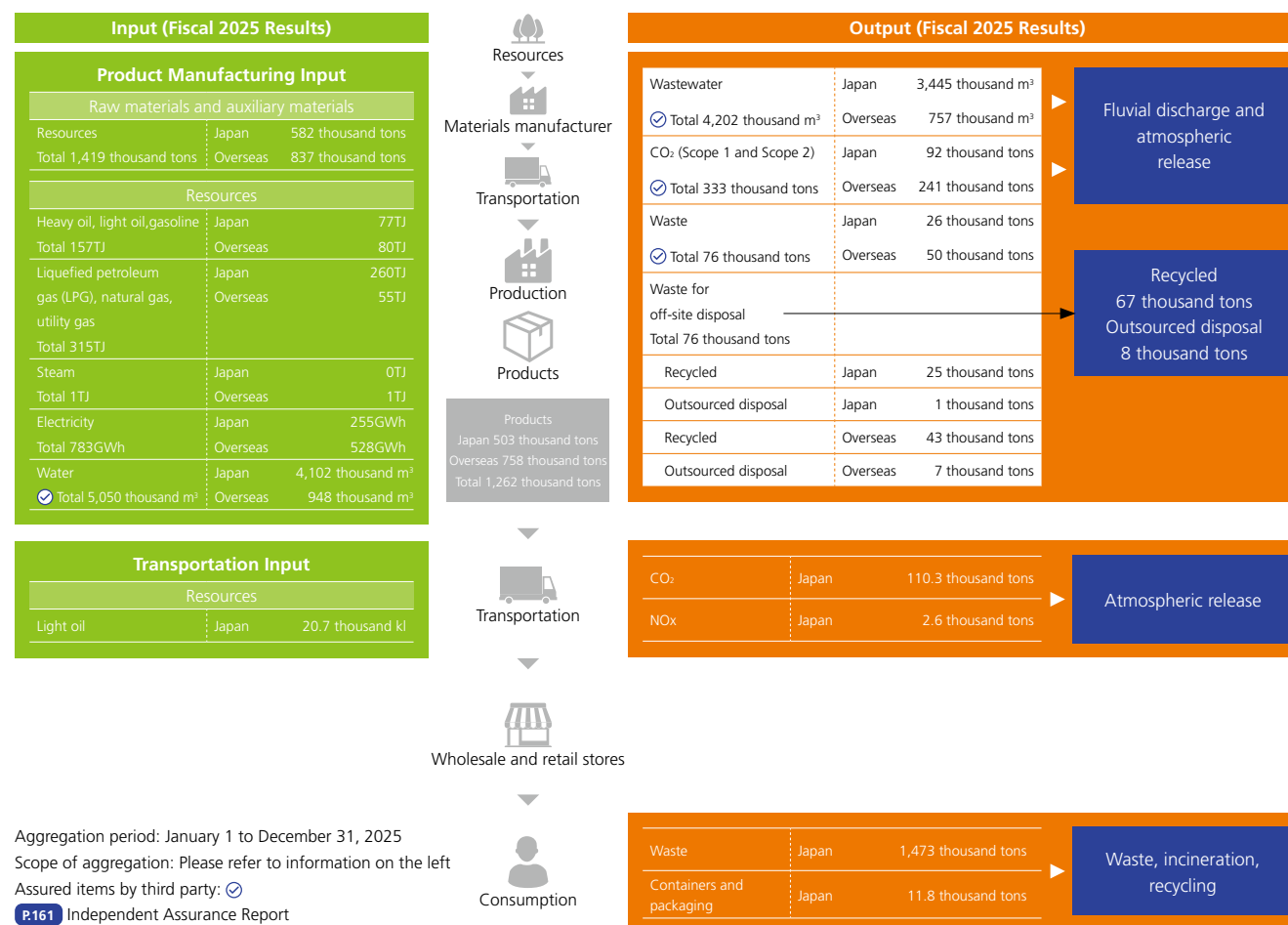
Notes

- Scope 1 is calculated based on GHG Protocol's Emission Factors for Cross-Sector Tools (lower heating value is used when converting energy).
- Regarding Scope 2, CO₂ emissions from electricity in Japan are calculated based on emission factors of electric utility providers under the Greenhouse Gas Emissions Calculation, Reporting, and Publication System established by the Ministry of the Environment, while overseas emissions are calculated based on emission factors of the International Energy Agency (IEA). (Brazil and the United States use 100% renewable electricity, while Myanmar has introduced renewable energy [solar power] and uses private power generation for any portion not covered by renewable energy.) Steam is calculated using a list of formulas and emission factors for calculating greenhouse gas emissions.
- Scope 3 was calculated using values from LCI database AIST-IDEA Ver. 3.5.1 Standard Edition developed by the IDEA Lab at the Research Institute of Science for Safety (RISS) and Sustainability of the National Institute of Advanced Industrial Science and Technology (AIST) as well as IPCC2021 with LULUCF AR6. Figures for fiscal 2024 and prior years were also recalculated based on this database. The overseas portion of 3-1, 3-2, 3-3, 3-5, 3-6, 3-7, 3-12, and 3-15 is calculated based on activity level, while other categories are estimated based on sales weight.
- In terms of transportation, we have statistics only for within Japan. The overseas portion of Scope 3 on page 146 is estimated based on the ratio of sales with Japan.

- Quantification of greenhouse gas emissions is subject to uncertainty regarding the measurement of activity data and the determination of emission factors as well as scientific uncertainty regarding the determination of Global Warming Potential.
- Energy conversion for Scope 2 is calculated based on the Act on Rationalization of Energy Use and Shift to Non-fossil Energy. Calculations for fiscal 2023 and fiscal 2024 are also based on the latest laws. Electricity is converted at 3.6 GJ/thousand kWh.

- For sites where wastewater volume is not measured, wastewater volume is considered to be equal to water withdrawal volume for aggregation purposes.
- Waste includes industrial waste, general waste from offices, and valuable resources.
- To increase the reliability of our non-financial data, we have received an independent assurance report from KPMG AZSA Sustainability Co., Ltd. in accordance with ISAE 3000 and ISAE 3410. Items with a check (✓) have been independently assured by a third party.

► Energy/Material Flow from a Life Cycle Perspective



► Compliance with Environmental Laws and Regulations

Unicharm has confirmed that surveys, data, and documentation for submission to governments as required by environmental laws and regulations were submitted correctly in fiscal 2025. No fines have been incurred for violations of environmental laws or regulations. There are no environmental matters pending.

► Resources Used in Product Manufacturing

Raw Materials and Auxiliary Materials

		Unit	2023	2024	2025
Resources	Japan	Thousand tons	648	612	582
	Overseas		933	927	837
	Total	Thousand tons	1,581	1,539	1,419

Resources

		Unit	2023	2024	2025
Heavy oil, light oil, gasoline	Japan	TJ	96	78	77
	Overseas		76	78	80
	Total	TJ	172	156	157
Liquefied petroleum gas (LPG), natural gas, utility gas	Japan	TJ	220	250	260
	Overseas		67	72	55
	Total	TJ	287	322	315
Steam	Japan	TJ	7	0	0
	Overseas		1	1	1
	Total	TJ	8	1	1
Electricity	Japan	GWh	254	262	255
	Overseas		563	563	528
	Total	GWh	817	825	783
Water*1	Japan	Thousand m³	4,167	4,202	4,102
	Overseas		1,103	1,044	948
	Total	Thousand m³	5,270	5,246	5,050
Light oil used for transportation	Japan	Thousand kl	18.1	15.4	20.7

*1 Certain calculation methods were revised in fiscal 2025. Accordingly, figures for fiscal 2024 and prior years have been retroactively recalculated.

► Output

		Unit	2023	2024	2025
Wastewater*2	Japan	Thousand m³	3,522	3,638	3,445
	Overseas		1,020	960	757
	Total	Thousand m³	4,542	4,598	4,202
CO ₂ (Scope 1 and Scope 2)	Japan	Thousand tons	102	99	92
	Overseas		304	286	241
	Total	Thousand tons	406	385	333
Waste	Japan	Thousand tons	24	25	26
	Overseas		56	53	50
	Total	Thousand tons	80	77	76
Waste for off-site disposal	Japan recycled	Thousand tons	23	23	25
	Japan outsourced disposal		1	1	1
	Overseas recycled		48	46	43
	Overseas out-sourced disposal		8	7	7
	Total	Thousand tons	80	77	76
Waste for on-site disposal	Total	Thousand tons	—	—	—
CO ₂ emissions in transportation	Japan	Thousand tons	120.9	82.0	110.3
NOx emissions in transportation	Japan	Thousand tons	2.2	1.9	2.6
Waste in consumption	Japan	Thousand tons	1,542	1,444	1,473
Containers and packaging in consumption	Japan	Thousand tons	14.5	12.2	11.8

*2 Certain calculation methods were revised in fiscal 2025. Accordingly, figures for fiscal 2024 and prior years have been retroactively recalculated.

► Total Product Weight (Japan)

		Unit	2023	2024	2025
Total product weight	Japan	Thousand tons	474	512	503
	Overseas		829	806	758
	Total	Thousand tons	1,303	1,318	1,262

Basic Environmental Policy

► CDP Rating

	2023	2024	2025
Climate Change	A–	A	A
Forests	A	A	A
Water Security	A	A	A

Recycling-Oriented Society

Plastic Waste Reduction Measures

► Plastic Usage in Packaging

	Unit	2023	2024	2025
Amount used	Tons	29,883	29,543	27,275
Percentage reduction vs. fiscal 2019 (weight)	%	–9.0	–10.0	–16.9
Percentage reduction vs. fiscal 2019 (per unit)	%	–18.4	–26.5	–37.2

► Raising Awareness About Proper Disposal of Used Products

	Unit	2023	2024	2025
Rate of awareness of proper disposal of used products	%	56 (9 companies)	63 (10 companies)	69 (11 companies)

► Plastic Use in Sales Promotional Items

	Unit	2023	2024	2025
Japan	Tons	4.1	0.8	0.1
China	Tons	28.2	7.6	0.3
Vietnam	Tons	15.5	11.5	8.0
India* ¹	Tons	154.4	120.9	0.0
United States	Tons	0.24	0.0	0.0

*1 The fiscal 2025 result for India reflects efforts to prioritize the effective use and reuse of existing inventory from previous years.

Zero-Carbon Society

Climate Change

► Energy Use

		Unit	2023	2024	2025
Japan		TJ	1,237	1,270	1,254
Overseas	Thailand	TJ	390	364	323
	China		382	393	285
	Indonesia		532	520	500
	India		256	271	277
	Vietnam		139	141	152
	Taiwan—Greater China		26	24	21
	United States		17	17	17
	South Korea		46	47	44
	Saudi Arabia		212	239	246
	Egypt		73	77	81
	Myanmar		7	7	7
	Brazil		53	51	56
	Malaysia		36	27	28
Total		TJ	2,169	2,179	2,037
Total		TJ	3,406	3,449	🗳️ 3,291
Per unit*2		TJ / million yen	0.004	0.003	0.003

Note: Calculations are based on GHG Protocol's Emission Factors for Cross-Sector Tools (lower heating value is used).

Electricity is converted at 3.6 GJ/thousand kWh.

*2 Unit denominators are consolidated net sales.

► CO₂ Emissions by Scope and Category

Scope	Category	Unit	2023	2024	2025	Remarks
Scope 1	Direct emissions	Thousand tons	29.2	30.1	☑ 29.9	
Scope 2	Indirect emissions from energy sources	Thousand tons	376.9	354.6	☑ 303.1	
Scope 3*1	1 Purchased goods and services	Thousand tons	3,756.1	3,936.5	☑ 3,597.7	
	2 Capital goods		99.0	121.2	85.8	
	3 Fuel- and energy-related activities not included in Scope 1 or Scope 2		51.1	49.5	45.2	
	4 Upstream transportation and distribution		225.5	252.1	264.4	*2
	5 Waste generated in operations		28.7	26.2	25.7	
	6 Business travel		2.0	2.1	2.1	
	7 Employee commuting		12.8	13.2	11.8	
	8 Upstream leased assets		0.0	0.0	0.0	*3
	9 Downstream transportation and distribution		81.0	77.8	68.5	*2
	10 Processing of sold products		0.0	0.0	0.0	*3
	11 Use of sold products		0.0	0.0	0.0	*3
	12 End-of-life treatment of sold products		1,875.7	1,756.5	☑ 1,597.7	
	13 Downstream leased assets		0.0	0.0	0.0	*3
	14 Franchises		0.0	0.0	0.0	*3
	15 Investments		34.7	21.3	18.3	
Total for Scope 3		Thousand tons	6,166.5	6,256.4	5,717.1	
Total for Scopes 1, 2, and 3		Thousand tons	6,572.6	6,641.1	6,050.1	
Per unit*4		Tons / million yen	6.979	6.715	6.400	

*1 Scope 3 was calculated using values from LCI database AIST-IDEA Ver. 3.5.1 Standard Edition developed by the IDEA Lab at the Research Institute of Science for Safety (RISS) and Sustainability of the National Institute of Advanced Industrial Science and Technology (AIST) as well as IPCC2021 with LULUCF AR6. Figures for fiscal 2024 and prior years were also recalculated based on this database, in addition to revising the calculation method for activity volume.

*2 The overseas portion of 3-1, 3-2, 3-3, 3-5, 3-6, 3-7, 3-12, and 3-15 is calculated based on activity level, while other categories are estimated based on sales weight.

*3 Does not apply to any work process

*4 Unit denominators are consolidated net sales.

► Scope 1 and Scope 2 CO₂ Emissions

		Unit	2023	2024	2025
Japan		Thousand tons	102.1	99.0	91.7
Overseas	Thailand	Thousand tons	37.2	40.4	27.0
	China		25.7	31.0	15.2
	Indonesia		106.6	91.4	81.4
	India		44.2	44.5	37.4
	Vietnam		21.3	16.7	20.0
	Taiwan–Greater China		3.3	3.3	2.7
	United States		0.1	0.1	0.0
	South Korea		11.2	5.2	4.7
	Saudi Arabia		37.6	40.2	39.8
	Egypt		11.5	8.5	8.8
	Myanmar		0.5	0.5	0.5
	Brazil		0.1	0.1	0.1
	Malaysia		4.8	3.6	3.5
Total		Thousand tons	304.0	285.7	241.3
Total		Thousand tons	406.2	384.7	☑ 333.0
Per unit*5		Tons / million yen	0.431	0.389	0.352

*5 Unit denominators are consolidated net sales.

► Scope 3 CO₂ Emissions

		Unit	2023	2024	2025
Japan		Thousand tons	2,375.4	2,494.3	2,256.3
Overseas	Thailand	Thousand tons	717.2	639.6	425.2
	China		677.5	619.8	503.7
	Indonesia		799.4	740.4	705.7
	India		500.1	564.6	567.1
	Vietnam		217.6	211.0	238.1
	Taiwan–Greater China		67.2	65.1	62.9
	United States		75.2	92.0	89.6
	South Korea		62.8	62.3	59.7
	Saudi Arabia		427.2	521.2	549.7
	Egypt		89.8	103.1	114.1
	Myanmar		6.1	5.8	3.2
	Brazil		91.0	77.5	93.2
	Malaysia		60.0	59.8	48.4
	Total		3,791.1	3,762.1	3,460.8
Total		Thousand tons	6,166.5	6,256.4	5,717.1
Per unit*		Tons / million yen	6.548	6.326	6.048

* Unit denominators are consolidated net sales.

► Procurement of Renewable Electricity

		Unit	2023	2024	2025
Japan		Thousand kWh	77,006	91,954	91,167
Overseas	Thailand	Thousand kWh	14,707	15,848	26,189
	China		53,831	48,851	48,300
	Indonesia		8,229	18,858	22,511
	India		5,880	10,626	22,484
	Vietnam		5,231	5,364	5,311
	Taiwan–Greater China		390	472	805
	United States		4,361	4,501	4,396
	South Korea		0	665	1,214
	Saudi Arabia		0	53	246
	Egypt		0	0	0
	Myanmar		0	0	15
	Brazil		14,199	13,758	15,060
	Malaysia		2,087	1,704	1,818
	Total		108,915	120,700	148,349
Total		Thousand kWh	185,921	212,654	239,516
Percentage of renewable electricity use		%	22.8	25.8	30.6

Biodiversity

Biodiversity Conservation

► Forest-Derived Raw Materials

		Unit	2023	2024	2025
Amount of third-party certified forest-derived raw materials procured	Japan	Tons	163,317	135,647	151,976
	Overseas		257,829	294,136	304,813
	Total	Tons	421,146	429,783	456,789
Percentage of pulp traceable to place of origin*1	Japan	%	100.0	99.8	99.8
	Overseas		97.5	99.1	99.6
	Total	%	99.2	99.3	99.6

*1 Percentage of forest-derived raw materials (pulp) 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

► PEFC and CoC Certifications*2

	Unit	2023	2024	2025
Percentage of CoC-certified factories	%	58.6	60.0	76.7
Percentage of PEFC-certified pulp procured		65.3	70.3	☑ 66.5

*2 “Percentage of CoC-certified factories” includes three newly certified factories in India; however, certified pulp procured by these factories will be included in “Percentage of PEFC-certified pulp procured” from fiscal 2026 onward.

► Percentage of Office Paper Made from Certified Materials

	Unit	2023	2024	2025
Ratio of environmentally friendly office paper	%	99.6	99.9	99.7
Office paper made from 100% recycled paper		83.5	37.6	21.7
Office paper made from certified materials		16.1	62.3	78.1

► No. of Products Using Organic Cotton (Japan)

	Unit	2023	2024	2025
No. of products using organic cotton	No. of products	53	42	51

► Palm Oil

		Unit	2023	2024	2025
Amount of palm oil procured	Japan	Tons	193.4	195.8	147.2
	Overseas		131.2	242.8	167.5
	Total	Tons	324.6	438.6	314.7
Amount of certified palm oil*3 procured	Japan	Tons	113.1	194.6	147.2
	Overseas		0.6	2.0	2.2
	Total	Tons	113.6	196.6	149.4
Percentage of raw materials traceable to place of origin	Japan	%	58.5	99.4	100
	Overseas		0.5	0.8	1.3
	Total	%	35.0	44.8	47.5
Percentage of certified palm oil*3 procured	Japan	%	58.5	99.4	100
	Overseas		0.5	0.8	1.3
	Total	%	35.0	44.8	☑ 47.5

*3 Certified palm oil is RSPO-certified oil using the mass balance system.

Reducing Waste and Preventing Pollution

► Waste Generated

		Unit	2023	2024	2025
Japan		Thousand tons	23.9	24.5	25.8
Overseas	Thailand	Thousand tons	7.3	6.5	6.2
	China		17.8	16.3	12.5
	Indonesia		7.2	6.5	6.2
	India		6.6	7.2	7.2
	Vietnam		5.7	5.3	5.5
	Taiwan–Greater China		0.7	0.6	0.6
	United States		1.0	0.9	0.9
	South Korea		1.3	1.2	1.2
	Saudi Arabia		4.2	4.5	5.0
	Egypt		1.9	2.1	2.3
	Myanmar		0.013	0.008	0.008
	Brazil		1.2	1.2	1.5
	Malaysia		1.0	0.7	0.7
	Total	Thousand tons	55.8	53.0	49.8
Total		Thousand tons	79.8	77.5	☑ 75.6
Per unit*4		Tons / million yen	0.085	0.078	0.080

*4 Unit denominators are consolidated net sales.

▶ Recycling Rate

	Unit	2023	2024	2025
Japan*1	%	99.6	99.3	99.6

*1 Recycling rate for the four main domestic plants: Unicharm Products Co., Ltd.'s Fukushima Factory, Shizuoka Factory, Shikoku Factory, and Kyushu Factory

▶ Polychlorinated Biphenyl (PCB) Storage Situation (Japan)

	Unit	2023	2024	2025
Units of PCB stored	Units	0	0	0

▶ Pollutant Release and Transfer Register (PRTR) Substances (Japan)

Substance	Unit	2023	2024	2025
Toluene	Tons / year	180.1	208.2	190.0
Ethylene oxide	Tons / year	0.032	0.005	0.005
Methylnaphthalene	Tons / year	0.04	0.04	0.04
Polycondensation of adipic acid, (N-(2-aminoethyl) ethane-1,2-diamine or N,N'-bis(2-aminoethyl) ethane-1,2-diamine) and 2-(chloromethyl)oxirane	Tons / year	—	0.61	0.58

▶ NOx and SOx Emissions (Japan)

	Unit	2023	2024	2025
NOx	Tons	12.2	12.4	14.4
NOx per unit*2	kg / million yen	0.038	0.036	0.042
SOx	Tons	9.3	3.6	3.7
SOx per unit*2	kg / million yen	0.029	0.011	0.011

*2 Unit denominators are net sales in Japan.

▶ Ozone-Depleting Substances (Japan)

Substance	Business Site	Use	Unit	2025
Halon (Class 1)	Unicharm Products Shizuoka Factory	Fire retardant	Tons	1.6
	Unicharm Products Shikoku Factory (Kagawa)			0.07
	Unicharm (other development sites in Kagawa)			0.0001
HCFCs (Class 1)	Unicharm Products Fukushima Factory	Refrigerant	Tons	2.6
	Unicharm Products Shizuoka Factory			3.6
	Unicharm Products Kyushu Factory (Fukuoka)			2.3
	Unicharm Products Shikoku Factory (Kagawa)			3.7
	Unicharm Products Itami Factory (Hyogo)			0.27
	Unicharm Products Mie Factory			0.32
	Unicharm Products Saitama Factory			0.34
	Unicharm Kokko Nonwoven Co., Ltd. (Ehime/Kagawa)			0.65
	Peparlet Co., Ltd. (Shizuoka)			0.04
	Unicharm (other development sites in Kagawa)			0.86
CFCs	Unicharm (other development sites in Kagawa)	Refrigerant	Tons	0.001

Note: Reported for Company properties based on the Act on Rational Use and Proper Management of Fluorocarbons

▶ Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) (Japan)

	Unit	2023	2024	2025
BOD	Tons	16.2	17.0	13.7
COD		18.6	19.4	20.7

Water Recycling-Oriented Society

Water Resources

▶ Water Usage (Water Withdrawal)*¹

	Unit	2023	2024	2025
Japan	Thousand m ³	4,167	4,202	4,102
Overseas		1,103	1,044	948
Total	Thousand m ³	5,270	5,246	5,050
Per unit of sales* ²	Thousand m ³ / million yen	0.006	0.005	0.005

*¹ Certain calculation methods were revised in fiscal 2025. Accordingly, figures for fiscal 2024 and prior years have been retroactively recalculated.

*² Unit denominators are consolidated net sales.

▶ Water Usage by Source (Water Withdrawal) (Japan)

	Unit	2023	2024	2025
Third-party water	Thousand m ³	3,161	3,184	3,112
Groundwater		1,005	1,018	990
Other water sources		—	—	—
Total	Thousand m ³	4,167	4,202	4,102
Of these, locations that have specified facilities under the Water Pollution Control Law				
Third-party water	Thousand m ³	3,013	3,042	3,000
Groundwater		734	742	686
Other water sources		—	—	—

Third-party water: Tap water supplied by local governments, industrial water, and water procured from external vendors

Groundwater: Groundwater collected and used from wells located on company premises

Other: Rainwater collected and used from business sites

▶ Water Usage by Source (Water Withdrawal) (Overseas)

	Unit	2023	2024	2025
Third-party water	Thousand m ³	1,009	982	894
Groundwater		94	41	54
Other water sources		—	21	0
Total	Thousand m ³	1,103	1,044	948
Of these, areas with high water stress				
Third-party water	Thousand m ³	691	639	606
Groundwater		54	34	49
Other water sources		—	21	0

Third-party water: Tap water supplied by local governments, industrial water, and water procured from external vendors

Groundwater: Groundwater collected and used from wells located on company premises

Other: Rainwater collected and used from business sites

▶ Wastewater*³

	Unit	2023	2024	2025
Japan	Thousand m ³	3,522	3,638	3,445
Overseas		1,020	960	757
Total	Thousand m ³	4,542	4,598	4,202
Per unit of sales* ⁴	Thousand m ³ / million yen	0.005	0.005	0.004

*³ At certain sites where wastewater volume is not measured, wastewater volume is considered to be equal to water withdrawal volume for aggregation purposes. In fiscal 2025, certain calculation methods were revised, and figures for fiscal 2024 and prior years have been retroactively recalculated.

*⁴ Unit denominators are consolidated net sales.

▶ Wastewater Discharge by Destination

	Unit	2023	2024	2025
Rivers	Thousand m ³	2,512	2,598	2,499
Ocean		518	539	449
Third-party sewage systems		1,512	1,461	1,255
Total		4,542	4,598	4,202

Rivers: Direct discharge into public water bodies (including rivers, lakes, and canals)

Ocean: Direct discharge into marine ecosystems

Third-party sewage systems: Discharge into public sewer systems or joint wastewater treatment facilities in industrial parks

▶ Water Stress Score of Unicharm's Factories*⁵

	Unit	2025
Extremely high	No. of factories	12
High		3
Moderate		11
Low		15

*⁵ Water stress is identified using the Aqueduct Overall Water Risk Map, a World Resources Institute (WRI) tool.

▶ Water Withdrawal and Percentage in Areas with High Water Stress*⁶

	Unit	2023	2024	2025
Water withdrawal in areas with high water stress	Thousand m ³	745	694	656
Percentage of water withdrawal in areas with high water stress	%	14.1	13.2	13.0

*⁶ Certain calculation methods were revised in fiscal 2025. Accordingly, figures for fiscal 2024 and prior years have been retroactively recalculated.

Social Data

2-7, 102-3, 401-1, 401-3, 403-9, 403-10, 404-1, 404-3, 405-1, 405-2

Customer Satisfaction

► Customer Satisfaction Level

	2023	2024	2025	Coverage
Customer satisfaction level (%)	91.8	89.8	91.7	Unicharm Corporation

Human Rights

► Audits of Unicharm Group Factories: No. of Audits and Evaluations

		2023	2024	2025	Coverage
No. of audits		4	9	7	Unicharm Group
No. of non-compliances identified	Business Critical	0	0	0	
	Critical	10	23	13	
	Major	19	30	29	
	Minor	14	19	15	
	Total	43	72	57	

Quality

► The Unicharm Group's ISO Certifications

(As of December 31, 2025)

Name of Certified Group Company	ISO 9001	ISO 14001	ISO 13485	ISO 45001
Unicharm Corporation and Unicharm Products Co., Ltd.	○	○	○*	
Unicharm Kokko Nonwoven Co., Ltd.	○	○	—	○
Cosmotec Corporation	○		—	
UNITED CHARM COMPANY LTD.	○	○	—	○
Uni.Charm (Thailand) Co., Ltd.	○	○	○	○
PT UNI-CHARM INDONESIA TBK (Factory1)	○	○	○	
PT UNI-CHARM INDONESIA TBK (Factory2)	○	○	○	
PT UNI-CHARM INDONESIA TBK (Factory3)	○	○	○	
Unicharm Consumer Products (China) Co., Ltd.	○	○	—	
Unicharm Consumer Products (Jiangsu) Co., Ltd.	○	○	—	○
Unicharm Consumer Products (Tianjin) Co., Ltd.	○	○	—	○
Unicharm Gulf Hygienic Industries Ltd.	○	○	—	○
LG Unicharm Co., Ltd.	○	○	—	
Unicharm India Private Limited	○	○	—	
Unicharm Australasia Pty Ltd	○		—	
Unicharm Middle East & North Africa Hygienic Industries S.A.E.	○	○	—	○
UNICHARM DO BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS DE HIGIENE LTDA.	○	○	—	
Diana Unicharm Joint Stock Company	○	○	—	
DSG International (Thailand) Public Company Limited	○	○	○	
UNI-CHARM MALAYSIA TRADING SDN. BHD.	○		—	

* ISO 13485 certification is applicable only to Unicharm Products Co., Ltd.

— : Not acquired

Human Resources

► Human Resources Data

		2023	2024	2025	Coverage
No. of full-time employees	Male	10,312	10,411	10,462	Unicharm Group
		5,911	6,053	6,080	
		16,223	16,464	16,542	
	Japan	2,569	2,520	2,456	
		652	691	722	
		3,221	3,211	3,178	
	Overseas	7,743	7,891	8,006	
		5,259	5,362	5,358	
		13,002	13,253	13,364	
Percentage of full-time employees (%)	Male	60.5	59.6	59.3	Unicharm Group
	Female	48.4	48.7	49.9	
	Total	55.5	55.0	55.4	
No. of contract employees	Male	6,725	7,070	7,195	
		6,295	6,376	6,103	
		13,020	13,446	13,298	
	Japan	829	892	854	
		595	649	591	
		1,424	1,541	1,445	
	Overseas	5,896	6,178	6,341	
		5,700	5,727	5,512	
		11,596	11,905	11,853	
Percentage of contract employees (%)	Male	39.5	40.4	40.7	Unicharm Group
	Female	51.6	51.3	50.1	
	Total	44.5	45.0	44.6	
No. of managerial employees	Male	1,178	1,164	1,079	
		386	399	416	
		1,564	1,563	1,495	
	Japan	521	524	530	
		95	113	116	
		616	637	646	
	Overseas	657	640	549	
		291	286	300	
		948	926	849	

		2023	2024	2025	Coverage
Ratio of Japanese to overseas management employees (%)	Japan	39.4	40.8	43.2	Unicharm Group
	Overseas	60.6	59.2	56.8	

		2023	2024	2025	Coverage
Average age of employees	Male	41.4	42.3	42.0	Full-time employees of Unicharm Corporation
	Female	38.2	38.6	38.6	
	Total	40.6	41.3	41.1	
Average length of service (years)	Male	17.5	17.2	16.8	
	Female	12.6	11.8	11.6	
	Total	16.3	15.7	15.3	
Employee turnover rate (%)	Male	2.2	1.5	2.3	
	Female	3.4	1.5	2.4	
	Total	2.5	1.5	2.3	

		2023	2024	2025	Coverage
No. of new graduate hires	Male	43	39	37	Full-time employees of Unicharm Corporation
	Female	17	19	24	
	Total	60	58	61	
Turnover rate of employees with less than 3 years of service who started as new graduates (%)	Male	6.1	3.7	1.7	
	Female	5.3	0.0	1.7	
	Total	5.8	2.5	1.7	
Recruitment cost per employee (yen)		1,450,000	1,837,398	1,426,784	
Starting salary of new graduate employees*: Master's degree (yen)		226,000	250,000	250,000	Unicharm Corporation
Starting salary of new graduate employees*: Bachelor's degree (yen)		210,000	235,000	235,000	

* Adjustable Starting Salary System (starting salary increases by up to ¥15,000 for employees who have passed the Microsoft Office Specialist (MOS), TOEIC, marketing exams, or other certification programs prior to joining the Company)

Development and Utilization of Human Resources

▶ Programs for Realizing the Career Vision of Young Employees

	2023	2024	2025	Coverage
No. of employees participating in the in-house internship program	28	28	26	Unicharm Corporation
No. of employees participating in the career challenge program	25	25	23	

▶ Strengthening Employee Engagement Through Reading Session of Integrated Report

	2023	2024	2025	Coverage
Percentage of implementation of “Reading Session of Integrated Report” in scrums (%)	100	100	100	Unicharm Group

▶ Employee Awareness Survey

	2023	2024	2025	Coverage
Percentage of employees who responded to the employee awareness survey (%)	100	100	100	Unicharm Group
Percentage of positive answers received for the “Growth Through Work” section of the employee awareness survey (%)	88.7	90.1	89.8	
Average score on a five-point scale for the level of satisfaction section of the employee awareness survey	4.42	4.40	4.44	

▶ Time and Costs Allocated to Employee Skills Development Training

	2023	2024	2025	Coverage
Total training hours allocated to employee skills development training	50,503	68,067	45,204	Unicharm Corporation
Total training costs allocated to employee skills development training (ten thousand yen)	7,531	10,019	7,817	
Training days per employee	3.5	4.8	3.2	
Training hours per employee	28	38	25	
Training cost per employee (yen)	42,119	56,349	43,967	

▶ Our Distinctive Skills Development Training Programs (Excerpt)

	Target	2023	2024	2025	Coverage
Training for newly hired employees	New employees	60	61	61	Unicharm Corporation
Second-year follow-up training	Second-year employees	40	58	57	
Third-year follow-up training	Third-year employees	48	58	57	
CR-based training, training according to roles	Qualified employees and employees who correspond to these roles	129	152	205	
E-learning for new leaders in charge of personnel development	New leaders in charge of personnel development	47	46	43	
Training prior to overseas assignments	Employees posted overseas	20	24	29	

▶ Second Job System

	2023	2024	2025	Coverage
No. of employees using the Second Job System	59	73	87	Unicharm Corporation

▶ Career Development Evaluations

	2023	2024	2025	Coverage
Percentage of employees who regularly receive assessment reviews for career development (%)	100	100	100	Unicharm Corporation

▶ Succession Plan

	2023	2024	2025	Coverage
Succession preparedness rate (%)	219.1	218.3	220.1	Unicharm Corporation employees
No. of employees participating in the Strategy Secretary to CEO program	6	6	6	Unicharm Group
Cumulative total of employees who have participated in the Strategy Secretary to CEO program	57	63	69	

Diversity and Inclusion

▶ Promotion of Women’s Empowerment

	2023	2024	2025	Coverage
Percentage of female employees (%)	36.4	36.8	36.8	Unicharm Group
Percentage of female managers (%)	24.7	25.5	27.8	
Percentage of female executive officers (%)	3.6	3.4	6.9	
No. of female executives (Japan)	2	2	2	
No. of female executives (overseas)	10	10	15	

▶ Hiring Employees of Diverse Nationalities and Promoting Them to Management Positions

	2023	2024	2025	Coverage
Percentage of locally hired employees in management positions (general manager and above) at overseas subsidiaries (%)	52.3	58.7	56.1	Unicharm Group’s overseas subsidiaries

▶ Hiring Experienced Personnel and Promoting Them to Management Positions

	2023	2024	2025	Coverage
No. of mid-career hires	43	65	46	Full-time employees of Unicharm Corporation
Percentage of mid-career hires in management positions (%)	33.5	38.1	38.8	

► Creating a Workplace for People of All Life Stages

	2023	2024	2025	Coverage
Rehiring rate of retired employees (%)	86.2	88.4	76.1	Unicharm Corporation
Hiring rate of retired employees seeking reemployment (%)	100	100	100	

► Expanding Our Recruitment of People with Disabilities

	2023	2024	2025	Coverage
Average annual employment rate of people with disabilities (%)	2.2	2.4	2.6	Unicharm Corporation

► Wages of Female Employees as a Ratio of Male Employees*¹

	2023	2024	2025	Coverage
Starting base salaries (%)	100	100	100	Full-time employees of Unicharm Corporation
Base salaries (%)	77.5	80.6	82.6	
Total remuneration amount (%)	73.1	74.9	76.6	

*1 Calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015)

► Moony Childcare Support System

	2023	2024	2025	Coverage
No. of employees taking Moony Childcare Leave	140	139	132	Unicharm Corporation Unicharm Products Co., Ltd.
Percentage of employees taking Moony Childcare Leave (%)	96.1	100.0	101.0* ²	
Percentage of male employees taking Moony Childcare Leave (%)	100.0	100.0	101.5* ²	
Percentage of employees taking Moony Childcare Involvement Leave (%)	83.7	88.0	94.6	Unicharm Corporation

*2 Percentage exceeds 100 where male employees whose partners gave birth in the previous fiscal year took childcare leave in the applicable fiscal year.

Employee Health

► Creating Vibrant and Healthy Working Environments

	2023	2024	2025	Coverage
Percentage of employees utilizing the work-from-home system (%)	52.0	48.0	47.0	Unicharm Corporation

► Encouraging the Taking of Paid Leave

	2023	2024	2025	Coverage
Percentage of paid leave taken (%)	71.2	70.0	73.7	Unicharm Corporation

► Appropriate Management of Working Hours

	2023	2024	2025	Coverage
Total working hours per employee	1,966.6	1,957.4	1,938.7	Unicharm Corporation

► Annual Health Checkups

	2023	2024	2025	Coverage
Percentage of employees receiving health checkups (%)	100	100	100	Unicharm Corporation

► Women's Health

	2023	2024	2025	Coverage
No. of participants in menopause program	2,150	2,142	1,555	Unicharm Corporation

► Promoting Exercise

	2023	2024	2025	Coverage
No. of massage room users	253	782	857	Unicharm Corporation
No. of participants in one-on-one stretching program	338	342	289* ³	
No. of participants in online stretching sessions	81	—	135	
No. of participants in body composition measurement tests	235	306	380	
No. of participants in physical fitness tests	54	50	97	

*3 Some participants transferred to online stretching sessions.

► Mental Health Measures

	2023	2024	2025	Coverage
Percentage of employees who underwent stress checks (%)	99.5	100	100	Unicharm Corporation
No. of employees who participated in mental health training	1,944	2,126	2,238	
No. of employees on mental health leave	9	13	19	

► Presenteeism and Absenteeism

	2023	2024	2025	Coverage
Presenteeism* ⁴ (%)	15.2	14.0	14.3	Unicharm Corporation
Absenteeism* ⁵ (%)	0.733	0.782	1.085	

*4 Measured using Single-Item Presenteeism Question (SPQ) developed by the University of Tokyo

*5 Sick leave days rate = Total number of sick leave days including weekends and holidays ÷ (Number of employees × 365) × 100

Occupational Safety and Health

► Occupational Safety and Health

	Manufacturing Industry Average (Fiscal 2024)	2023	2024	2025	Coverage
No. of violations of the Industrial Safety and Health Act	—	0	0	0	Unicharm Corporation employees
No. of fatal workplace accidents	—	0	0	0	
No. of workplace accidents resulting in inability to work* ¹	—	0	0	0	
Workplace accident frequency rate* ²	1.30	0.22	0.00	0.00	
Workplace accident severity rate* ³	0.06	0.02	0.00	0.00	

*1 Workplace accidents resulting in inability to work: Permanent inability to work or undertake certain tasks

*2 Workplace accident frequency rate = Number of workplace accident occurrences ÷ Total number of working hours × 1 million hours

*3 Workplace accident average severity rate = Number of lost working days ÷ Total working hours × 1,000 hours

► Occupational Safety and Health Education and Training

Targets	Details	2025	Coverage
Newly appointed leaders	Education on occupational safety and health, including leader training, as required by law	15	Unicharm Products Co., Ltd.
Employees prior to changing roles	Education and training on occupational safety and health	83	
New employees before assignment to their respective departments	General education including occupational safety and health	21	

Supply Chain Management

► Human Rights Risk Assessment Results in Fiscal 2025

		Percentage of Suppliers Using the Sedex Platform (%)	Percentage of Suppliers Sharing Inherent Risk Score (%)	Percentage of Suppliers Sharing Site Characteristics Risk Score (%)	Coverage
Personal care products	Material suppliers	69.9	54.2	54.2	Unicharm Group
	Contract manufacturers	80.0	58.0	56.8	
Pet care products	Material suppliers	26.8	23.7	22.8	
	Contract manufacturers	64.7	58.3	58.3	
Total		51.6	45.7	45.3	

► Supplier Audits: No. of Audits and Evaluations

		2023	2024	2025	Coverage
No. of audits		26	79	97	Unicharm Group
No. of non-compliances identified	Business Critical	1	0	0	
	Critical	32	44	52	
	Major	111	127	185	
	Minor	44	50	65	
Total		188	221	302	

Governance Data

Corporate Governance

Board of Directors

			2023*1	2024*2	2025*3	2026*4
Directors	Inside	Male	4	4	4	4
		Female	0	0	0	0
		Total	4	4	4	4
	Outside	Male	1	1	1	1
		Female	1	1	1	1
		Total	2	2	2	2
	Total		6	6	6	6
Percentage of independent outside directors (%)			33.3	33.3	33.3	33.3
Percentage of female directors (%)			16.7	16.7	16.7	16.7

Audit & Supervisory Committee

			2023*1	2024*2	2025*3	2026*4
Audit & Supervisory Committee members	Inside	Male	1	1	1	1
		Female	0	0	0	0
		Total	1	1	1	1
	Outside	Male	1	1	1	1
		Female	1	1	1	1
		Total	2	2	2	2
	Total		3	3	3	3
Percentage of independent outside directors (%)			66.7	66.7	66.7	66.7
Percentage of female directors (%)			33.3	33.3	33.3	33.3

Nomination Committee

			2023* ¹	2024* ²	2025* ³	2026* ⁴
Nomination Committee members	Inside	Male	2	2	2	2
		Female	0	0	0	0
		Total	2	2	2	2
	Outside	Male	1	1	1	1
		Female	1	1	1	1
		Total	2	2	2	2
	Total		4	4	4	4
Percentage of independent outside directors (%)		50.0	50.0	50.0	50.0	
Percentage of female directors (%)		25.0	25.0	25.0	25.0	

Remuneration Committee

			2023*1	2024*2	2025*3	2026*4
Remuneration Committee members	Inside	Male	2	2	2	2
		Female	0	0	0	0
		Total	2	2	2	2
	Outside	Male	1	1	1	1
		Female	1	1	1	1
		Total	2	2	2	2
	Total		4	4	4	4
Percentage of independent outside directors (%)		50.0	50.0	50.0	50.0	
Percentage of female directors (%)		25.0	25.0	25.0	25.0	

Executive Committee

		2023 ^{*1}	2024 ^{*2}	2025 ^{*3}	2026 ^{*4}
Officers	Male	27	28	28	27
	Female	1	1	2	2
	Total	28	29	30	29
Percentage of female directors (%)		3.6	3.4	6.7	6.9

*1 As of March 24, 2023

*2 As of March 27, 2024

*3 As of March 19, 2025

*4 As of March 19, 2026

► No. of Board of Directors and Committee Meetings Held and Attendance Rate

		2023	2024	2025
Board of Directors	No. of times held	9	9	9
	Attendance rate (%)	100	100	100
Audit & Supervisory Committee	No. of times held	11	11	11
	Attendance rate (%)	100	100	100
Nomination Committee	No. of times held	1	1	1
	Attendance rate (%)	100	100	100
Remuneration Committee	No. of times held	1	1	1
	Attendance rate (%)	100	100	100

► Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Attendance at These Meetings (Fiscal 2025)

	Board of Directors	Audit & Supervisory Committee	Nomination Committee	Remuneration Committee
Takahisa Takahara Representative Director, President & CEO	100% (9/9 times)	—	100% (1/1 time)	100% (1/1 time)
Toshifumi Hikosaka Director, Senior Management	100% (3/3 times)	—	—	—
Kenji Takaku Director, Senior Management	100% (9/9 times)	—	—	—
Tetsuya Shite Director, Senior Managing Executive Officer	100% (6/6 times)	—	—	—
Hiroaki Sugita Director, Audit & Supervisory Committee Member Outside Independent	100% (9/9 times)	100% (11/11 times)	100% (1/1 time)	100% (1/1 time)
Noriko Rzonca Director, Audit & Supervisory Committee Member Outside Independent	100% (9/9 times)	100% (11/11 times)	100% (1/1 time)	100% (1/1 time)
Shigeru Asada Director, Audit & Supervisory Committee Member	100% (9/9 times)	100% (11/11 times)	100% (1/1 time)	100% (1/1 time)

Note: Outside Outside director Independent Independent director Attendance is based on the number of times committees have convened during respective tenures.

► Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Relevant Expertise of Directors (As of March 19, 2026)

	Tenure	Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees				Relevant Expertise of Directors										
		Board of Directors	Audit & Supervisory Committee	Nomination Committee	Remuneration Committee	Corporate Management	Finance and Accounting	Corporate Governance	Risk Management	Human Resource Development	Overseas Business	Marketing	Distribution Strategy	Development and Production	Sustainability*	Digital Transformation
Takahisa Takahara Representative Director, President & CEO	30 years, 9 months	◎		○	○	●	●	●	●	●	●	●			●	
Kenji Takaku Director, Senior Management	3 years	○				●		●	●	●	●	●	●	●		
Tetsuya Shite Director, Senior Managing Executive Officer	1 year	○				●		●	●	●			●		●	
Hiroaki Sugita Director, Audit & Supervisory Committee Member Outside Independent	5 years	○	○	◎	◎	●	●	●	●	●		●	●		●	●
Noriko Rzonca Director, Audit & Supervisory Committee Member Outside Independent	3 years	○	○	○	○	●		●	●	●	●	●			●	●
Shigeru Asada Director, Audit & Supervisory Committee Member	7 years	○	◎	○	○	●	●	●	●	●	●					

Note: ◎ denotes serving as the chair and ○ denotes serving as a member Outside Outside director Independent Independent director * Environment and quality

► Evaluation Indicators for and Basic Policy on Remuneration of Directors and Executive Officers and Fiscal 2025 Remuneration Targets and Results

No.	Evaluation Criteria	Accountability	Assessment Weighting	Targets	Results	Assessment
1	Group performance (business plan)	1-1 Consolidated net sales	20%–50%	¥974,000 million (down 1.5% YoY)	¥945,268 million (down 4.4% YoY)	97.1%
		1-2 Consolidated core operating income		¥120,000 million (down 13.3% YoY)	¥108,884 million (down 21.4% YoY)	90.7%
		1-3 Profit attributable to owners of parent		¥85,100 million (up 4.0% YoY)	¥65,212 million (down 20.3% YoY)	76.6%
2	Department performance	2-1 Sales in applicable business division	0%–40%	(Each department)	(Each department)	—
		2-2 Profits in applicable business division		(Each department)	(Each department)	—
3	Group key strategy	3-1 Priority strategies for each role	20%–50%	(Each director)	(Each director)	—
		3-2 ESG assessment (specialist rating agency evaluation, etc.)		(Each director)	(Each director)	—
4	Department key strategy	4 Priority strategy in applicable business division	0%–40%	(Each department)	(Each department)	—

Overview of key assessment indicators

1. Performance-based indicators for Company efforts
2. Performance-based indicators for individual director and executive officer efforts
3. Assessment indicators for Company priority strategies (including qualitative assessments)
4. Assessment indicators for individual director and executive officer priority strategies (including qualitative assessments)

Note: Targets are based on the revised consolidated financial results forecasts announced on August 5, 2025.

► Total Remuneration for Each Director and Executive Officer, Total for Each Type of Remuneration, and No. of Directors Receiving Remuneration

Role	Total Remuneration (Million yen)	Totals for Each Type of Remuneration (Million yen)			No. of Directors Receiving Remuneration
		Basic Remuneration	Performance-Linked Remuneration	Non-Monetary Remuneration	
				Restricted Share-Based Remuneration	
Directors (excluding Audit & Supervisory Committee members and outside directors)	535	184	184	166	4
Directors (Audit & Supervisory Committee members) (excluding outside directors)	8	8	—	—	1
Outside directors	21	21	—	—	2

1. Total amount of remuneration of directors (excluding Audit & Supervisory Committee members) includes amounts recorded as expenses of ¥166 million for restricted share-based remuneration of four directors (excluding Audit & Supervisory Committee members).
2. Following the enforcement of the Companies Act, the Company's shareholders approved a resolution to abolish the retirement benefit system for directors and executive officers and incorporate their bonuses into remuneration at the 47th General Meeting of Shareholders held on June 26, 2007. Directors and executive officers now only receive annual compensation.

Compliance

Fair Business Practices

► Fines, Surcharges, Settlements, and Dismissals Resulting from Acts of Corruption

	2023	2024	2025	Coverage
No. of fines, surcharges, and settlements resulting from serious legal violations related to corruption and bribery	0	0	0	Unicharm Corporation
Amount of fines, surcharges, and settlements resulting from serious legal violations related to corruption and bribery (yen)	0	0	0	
No. of employees subject to disciplinary action due to acts of corruption or bribery	1	0	0	

► No. of Consultations and Reports via the Whistleblowing System

	2023	2024	2025	Coverage
No. of consultation/whistleblowing cases (Japan)	165	210	208	Unicharm Group
No. of consultation/whistleblowing cases (overseas*)	48	56	109	
Of which, are in violation of compliance	0	0	0	

* Unicharm's local subsidiaries in China, Taiwan–Greater China, Thailand, Indonesia, Malaysia, Singapore, India, Brazil, South Korea, the United States, Vietnam, Saudi Arabia, Egypt, and Australia

► Measures to Raise Compliance Awareness

Target	Details	2025	
		No. of Times	No. of Attendees
All employees	All areas of compliance (distribution through email newsletters and posting on the Company intranet)	6	All employees
New employees	Compliance and basis of contracts	1	61
Employees to be posted overseas (pre-posting training)	Prohibition of bribery, protection of confidential information, contract compliance, etc.	2	27
Divisional basis	Setting of themes according to business activity and holding of workshops	2	396

► Harassment Prevention

	2023	2024	2025	Coverage
No. of participants in harassment prevention manager training	21	495	407	Unicharm Corporation
No. of participants in new leader training sessions	21	46	43	

Tax Compliance

► Tax Payments by Country/Region (Million yen)

	2023	2024	2025
Japan	25,102	29,155	25,610
China	3,984	1,621	463
Vietnam	463	1,978	1,798
Saudi Arabia	2,168	2,586	3,399
Thailand	1,963	3,774	1,836
Other regions	6,459	8,278	7,927
Total	40,139	47,393	41,032

Note: The impact of Pillar Two on corporate tax payments is expected to be minimal.

Reference Chart for Key Themes of Kyo-sei Life Vision 2035

▶ Key Themes

Safeguarding the Well-Being of Individuals	
1	Extending healthy life expectancy and improvement of QOL
2	Coexistence with pets
3	Realizing a society where women can freely design their lives
4	Improvement of childcare
Safeguarding the Well-Being of Society	
5	Enhancing our corporate branding through the embedding of "Love Your Possibilities"
6	Practice of sustainable lifestyles
7	Implementing human rights due diligence in the value chain
8	Provision of safe, reliable products
Safeguarding the Well-Being of Our Planet	
9	Expanding the social implementation of <i>Reff</i>
10	Addressing climate change
11	Establishing value chains with consideration for sustainability and biodiversity
12	Reduction in amount of plastic materials used
Unicharm Principles	
13	Management practices that account for sustainability
14	Practice of appropriate corporate governance
15	Promotion of diversity management
16	Promoting occupational safety and health

▶ Corresponding Pages and Sections in *Sustainability Report 2026*

Page	Section	Key Themes
21	Basic Environmental Policy	9 10 11 12
26	Circular Recycling of Used Disposable Diapers	9
29	Plastic Waste Reduction Measures	12
35	Disclosure Based on the TCFD Recommendations	10
39	Roadmap to Realizing a Zero-Carbon Society	10
40	Climate Change	10
45	GHG Emissions Visualization Project	10
46	Biodiversity Conservation	11
52	Reducing Waste and Preventing Pollution	12
57	Water Resources	—
62	Product Development	1 2 3 4 5 6
67	Digital Transformation (DX)	1 2 3 4 5 6
71	Intellectual Property	1 2 3 4 5 6
73	Responsibility to Our Customers (Consumers)	8
76	Quality Assurance	8
80	Respect for Human Rights	7
84	Development and Utilization of Human Resources	15
92	Diversity and Inclusion	15
97	Employee Health	—
102	Occupational Safety and Health	16
105	Sustainable Procurement	7 11
111	Social Contribution Activities	—
118	Corporate Governance	13 14
128	Fair Business Practices	13 14
132	Tax Compliance	13 14
133	Risk Management	13 14

External Evaluations

Unicharm has been selected as a constituent of five ESG indices for Japanese stocks,* adopted by the Government Pension Investment Fund (as of March 31, 2026). We will continue to carry out appropriate business management and ensure highly transparent communication of our business results, in order to continue to be selected for key ESG indices and enhance our corporate value in line with the expectations of all stakeholders.

* ESG indices for Japanese stocks adopted by the Government Pension Investment Fund are indicated with a ♦.

▶ Index Inclusion and Evaluation (as of March 31, 2026)

FTSE4Good Index Series



FTSE4Good

An index developed by FTSE Russell of the United Kingdom that selects companies meeting ESG criteria
<https://www.lseg.com/en/ftse-russell/indices/ftse4good>

♦ FTSE JPX Blossom Japan Index



FTSE JPX Blossom
Japan Index

An index developed by FTSE Russell of the United Kingdom that selects Japanese companies with superior ESG performance
<https://www.lseg.com/ja/ftse-russell/indices/blossom-japan> (in Japanese only)

♦ FTSE JPX Blossom Japan Sector Relative Index



FTSE JPX Blossom
Japan Sector
Relative Index

A new index developed by FTSE Russell of the United Kingdom in March 2022 that selects Japanese companies based on their ESG ratings, giving particular weight to the climate governance and climate change efforts of those with high greenhouse gas emissions
<https://www.lseg.com/ja/ftse-russell/indices/blossom-japan> (in Japanese only)

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Unicharm Corporation has been independently assessed and has satisfied the requirements to become a constituent member of the FTSE4Good Index Series, the FTSE JPX Blossom Japan Index, and the FTSE JPX Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, these indices were designed to measure the performance of companies demonstrating strong environmental, social, and governance practices, and are used by a wide variety of market participants to create and assess responsible investment funds and other financial products.

♦ S&P/JPX Carbon Efficient Index



Developed by S&P Dow Jones Indices and Japan Exchange Group, Inc., the S&P/JPX Carbon Efficient Index measures the performance of companies in the Tokyo Stock Price Index, overweighting or underweighting companies based on their disclosure of environmental information and their carbon efficiency (carbon emissions per unit of revenue).

♦ Morningstar Japan ex-REIT Gender Diversity Tilt Index



An index by Morningstar, Inc. of the United States that uses gender equality scores provided by Equileap to measure the performance of companies that have instilled their gender diversity policies into their corporate culture and of companies that are committed to providing equal opportunities to employees, regardless of gender. Unicharm received a rating of Group 1, the highest of five levels.

Disclaimer https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/report/E_disclaimer_ms.pdf

SX Brand 2024



Unicharm was selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for SX Brand 2024, which recognizes a group of progressive companies that have enhanced their ability to generate sources for sustainable growth and improved their corporate value through sustainability transformation (SX). SX is an initiative to synchronize the sustainability of society with the sustainability of companies by conducting the necessary management and business reforms in order to achieve long-term sustainable increases in corporate value.

MSCI Selection Indexes



Indexes created by MSCI Inc. of the United States that select Japanese companies with comparatively high ESG ratings within their respective industries
<https://www.msci.com/msci-esg-leaders-indexes>

♦ MSCI Nihonkabu ESG Select Leaders Index

2026 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

An index created by MSCI Inc. of the United States that selects Japanese companies with comparatively high ESG ratings within their respective industries
<https://www.msci.com/documents/10199/f1498635-6bf7-efa0-8905-93c66eb75e06>

MSCI Japan ESG Select Leaders Index

2026 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

An index created by MSCI Inc. of the United States that selects Japanese companies with comparatively high ESG ratings within their respective industries
<https://www.msci.com/documents/10199/5c0017c6-3dd9-41a5-ac67-a8ffa1356121>

The inclusion of Unicharm Corporation in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein, does not constitute a sponsorship, endorsement, or promotion of Unicharm Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

JPX-Nikkei Index 400



The JPX-Nikkei Index 400 is composed of companies with high appeal for investors, which meet requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives. The index is jointly calculated and published by JPX Market Innovation & Research and Nikkei.

Sompo Sustainability Index



An index operated by Sompo Asset Management Co., Ltd. that selects approximately 300 Japanese companies with consistently strong ESG practices for use in its Sompo Sustainable Management investment product.

Nikkei Moat Stock Index

The Nikkei Moat Stock Index is a new stock index established by Nikkei Inc., which selects companies from among the leading stocks listed on the Tokyo Stock Exchange Prime Market (excluding financial institutions) based on strict criteria. The term "moat" (economic moat) is used to describe the competitive advantage of companies that can generate high profitability over the medium to long term through superior technology, brand strength, or cost competitiveness.

CDP



The CDP is an international non-profit organization that strives to create sustainable societies by conducting questionnaires and disclosing information on the environment across the globe through a ratings system. In fiscal 2025 Unicharm was selected for CDP's A List, its highest rating, in all three areas of climate change, forests, and water security, for its second consecutive year of inclusion.

Independent Assurance Report

2-5

We obtained independent assurance of Unicharm's *Sustainability Report 2026*.

Independent Practitioner's Limited Assurance Report

To the President and CEO of Unicharm Corporation

Conclusion

We have performed a limited assurance engagement on whether selected environmental performance indicators (the "subject matter information" or the "SMI") presented in Unicharm Corporation's (the "Company") Sustainability Report 2026 (the "Report") for the period from January 1, 2025 to December 31, 2025 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained in the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol "🔍".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI for the period from January 1, 2025 to December 31, 2025 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information. We do not express any form of conclusions thereon.

Other matter

The comparative information for the SMI for the period from January 1, 2023 to December 31, 2023 and the period from January 1, 2024 to December 31, 2024 was not subject to our limited assurance engagement and, accordingly, we do not express a conclusion, or provide any assurance on such information.

Our conclusion is not modified with respect to this matter.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described in Note 5 to the environmental data in the Report, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the management.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- evaluating whether the Company's process for developing estimates as well as its use of data, selection of the methods and assumptions were appropriate;
- performing site visits at two of the Company's sites which were determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

/s/ Ryo Kato

Ryo Kato, Engagement Partner

KPMG AZSA Sustainability Co., Ltd.

Tokyo Office, Japan

June 30, 2026

Notes to the Reader of Assurance Report:
This is a copy of the Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.