

At Unicharm, we are committed to helping solve environmental and social issues as we work together to realize a cohesive society. With that in mind, we have put forward Unicharm Group's mid-to-long term environmental, social, and corporate governance (ESG) goals in a document called "Kyo-sei Life Vision 2030 — For a Diverse, Inclusive, and Sustainable World." In this declaration, we bring our vision for 2030 into sharper focus, explicating the key initiatives and targets that we believe will help us achieve our goals. Through the implementation of "Kyo-sei Life Vision 2030," we are confident that we can satisfy the needs of consumers and communities, while continuing to grow our business.

Positioning of "Kyo-sei Life Vision 2030"

At Unicharm, we believe that our fundamental raison d'être, that is, our "Purpose", is to help achieve the United Nation's Sustainable Development Goals (SDGs). Because this "Purpose" is so basic to our essence as a company, we think that it is important that all of our employees understand, agree, and empathize with it. To better delineate the substance of that "Purpose", and to further its accomplishment, we have broken it down into three key components: "Mission," "Vision," and "Value." "Mission" clarifies what we want to do. More specifically, our mission is to realize a cohesive society, a society that must inherently be diverse, inclusive, and sustainable.

In this society, personal freedom will harmonize with social altruism, enabling people to be true to themselves and live lives of their own choosing, while at the same time helping others to achieve a better life.

Where "Purpose" is the goal, "Vision" is the means. "Vision" elucidates how we can realize a cohesive society. In practical terms, it is the application of our corporate philosophy, which we like to call "NOLA & DOLA" (Necessity of Life with Activities & Dreams of Live with Activities).

Through "NOLA," we hope to provide powerful, yet discreet and unobtrusive support for the minds and bodies of our users, relieving them of some of the burdens of their lives and enabling them to better focus their efforts on making their dreams come true.

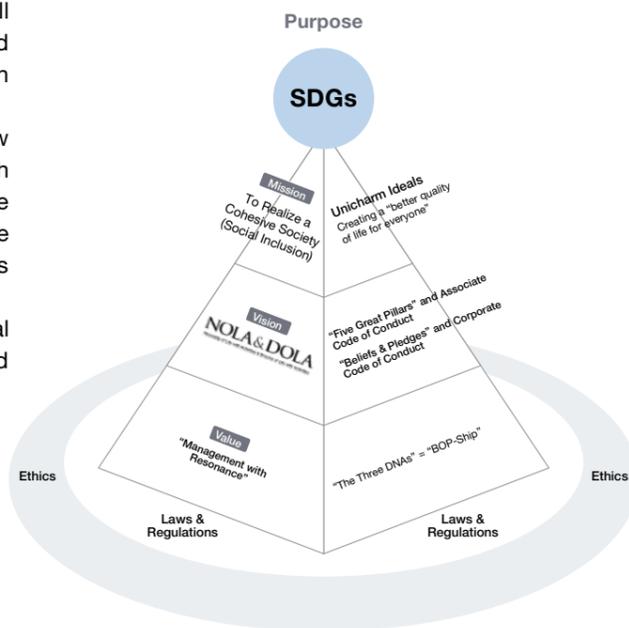
"Value" is the sense of duty and social responsibility that underlies our "Mission" and powers our "Vision," bringing it all together to serve the common "Purpose." All Unicharm employees around the world are now pushing forward our standardized management model called "Management with Resonance."

To understand and promote our "Purpose", and to clarify how our "Mission," "Vision," and "Value" work together to push forward that "Purpose," this document explains in detail the world we have envisioned in 2030 and describes how we hope to get there, highlighting the key initiatives and targets that we believe will make "Kyo-sei Life Vision 2030" a reality.

We are committed to helping solve environmental and social issues, while providing new value to consumers and communities and assuring steady business growth.

Cohesive Society = Social Inclusion

It is a society in which each person is independent while supporting each other in a way that allows each person to have just the right sense of distance so that, in addition to vulnerable members of society, those who are at a disadvantage either temporarily or for an extended period due to aging, illness, childbirth, menstruation or other factors can spend their lives in the way they so wish regardless of the situation.



The Future We Envision

A society in which everyone can maximize individual potential and live life to its fullest.
A society in which we comfortably coexist, helping each other while respecting mutual independence.

Unicharm continually considers every moment of life.
From birth to adulthood, and all the years in between.
From this generation to the next, and many years into the future.

We endeavor to realize a diverse, inclusive and sustainable world, protecting and supporting life for people and society through "kindness" in various forms.

Baby care that supports and comforts both infant and family.
Nursing care that helps people live a full life at any age.
Environments that ensure our partner animals (pets) a warm welcome by the family and neighborhood.
Feminine care that helps lift spirits during the monthly cycle.
Good hygiene that helps enhance and expand pleasant interactions for everyone.

This is the "kindness" we at Unicharm have always valued.

As we create and extend such kindness, we must emphasize not only the well-being of individuals, but also the well-being of society and our planet as a whole.

When we picture the manufacturing that sustains local economies, we imagine the faces of people at work and their families.

When we consider the dynamic switch to renewable energy, we visualize a future with reduced global warming.

At Unicharm, we strive for all of our business activities to reflect kindness, thereby contributing to a diverse, inclusive and sustainable world for our future.

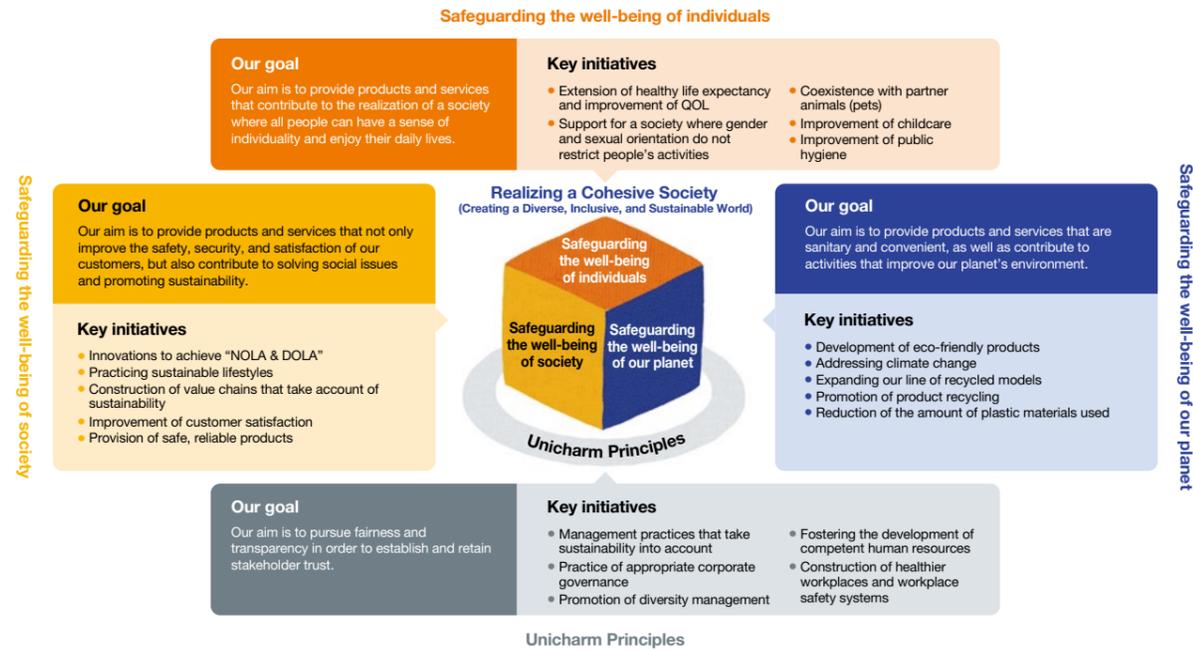
Unicharm continues to conduct business while championing the freedom of individuals to pursue their own way of life, based on our corporate philosophy of "NOLA & DOLA."**

In the decade to come, we at Unicharm will continue to affirm this ideal, providing kindness and support at every moment, throughout every lifetime.

* "NOLA & DOLA": Necessity of Life with Activities & Dreams of Life with Activities
Our corporate philosophy: From Newborn infants to the elderly, Unicharm aims to provide people with products that offer physical and psychological support through gentle care so that they may be free of their burdens to fulfill their dreams.

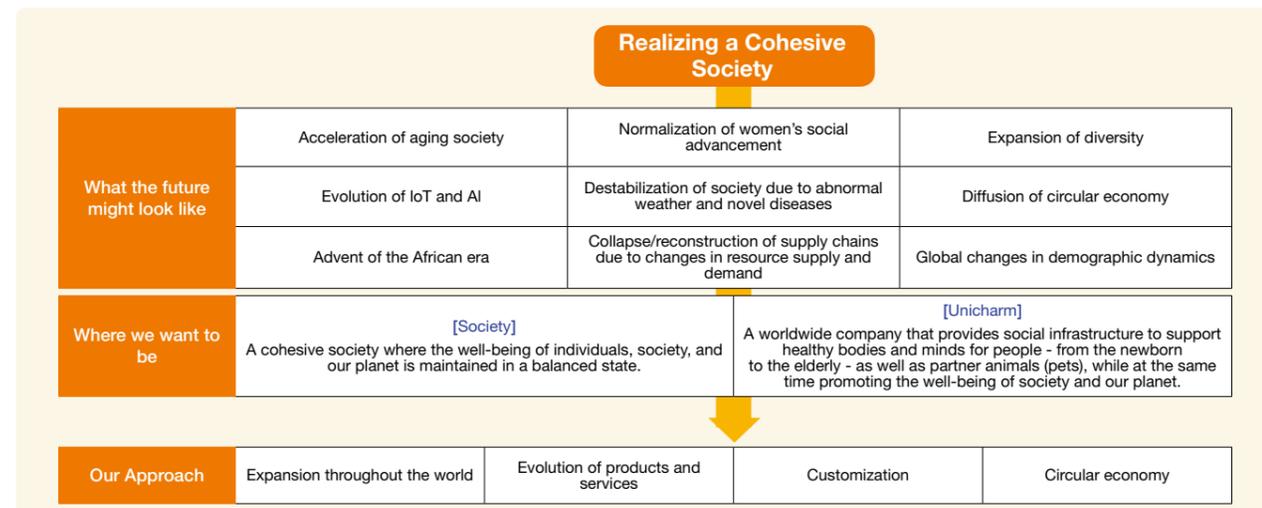
Kyo-sei Life Vision 2030 For a Diverse, Inclusive, and Sustainable World

In order to realize the world we envision, Unicharm upholds the following three commitments based on our corporate principle of fair and transparent management.



Our Approach to Realize a Cohesive Society by 2050

As described in "Positioning of 'Kyo-sei Life Vision 2030'," our mission is to realize a cohesive society. With the year 2050 set as the target date for bringing such a society into being, we have developed some specific ideas about what that the future could look like and where we as a company want to be at that time. To bridge the gap between where we are today and where we want to be in the future, we have conceived carefully focused approaches that will help us transition to the future.



The Formulation of "Kyo-sei Life Vision 2030"



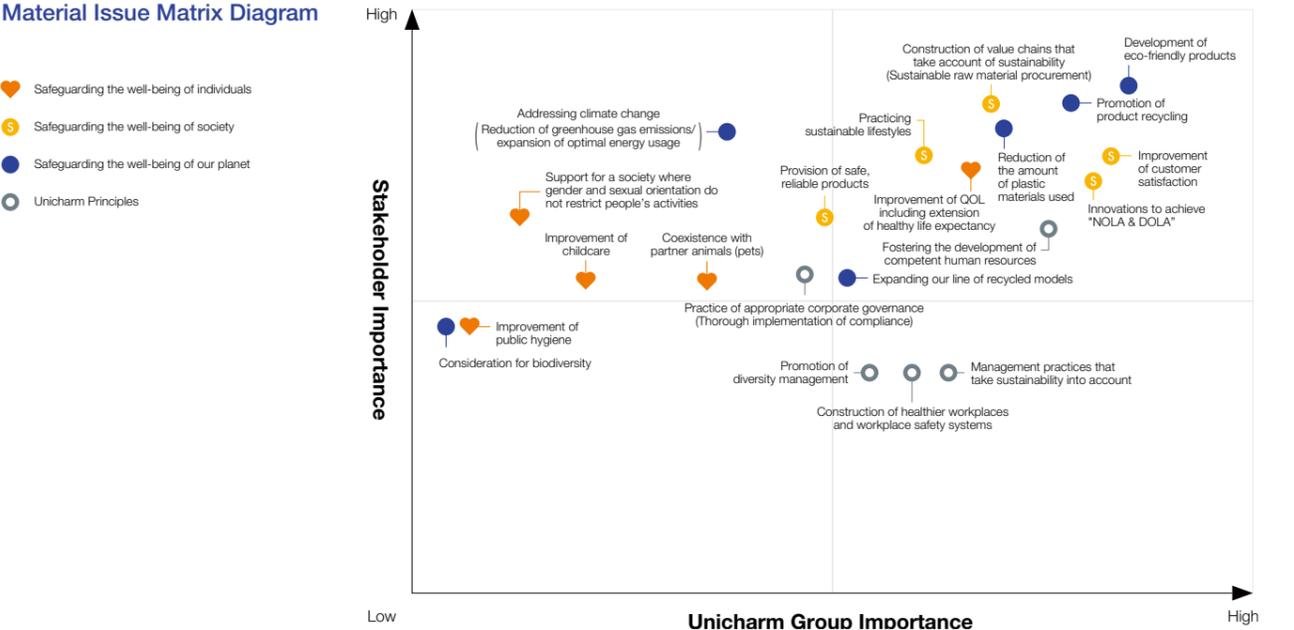
To define our material issues, we implemented the following steps. These steps helped us extract material issues and draw a matrix diagram.

- 1 Extraction of relevant issues**
We extracted 513 relevant social issues from many literature sources. We categorized them into 44 groups (ISO 26000, GRI, SDGs, FTSE, MSCI, DJSI, etc.) based on the 4 points of view.
- 2 Internal assessment**
We surveyed about 900 people associated with Unicharm including members of the board of directors, executive officers, headquarters directors, subsidiary presidents, and managers.
- 3 External assessment**
We asked 56 organizations to participate in surveys to assess the degree of importance assigned to various issues from an external viewpoint (stakeholders' viewpoint) and received responses from 32 organizations.
- 4 Workshop with executive officers**
A meeting of executive officers was held to study the SDGs, followed by a workshop where executives offered their opinions about what society might look like in 2050 as well as possible directions the company should take.
- 5 Defining our material issues**
We listed the main themes underlying where we wanted the company to be in 2050 and the various approaches that we would have to take in order to achieve those goals; then we specified material issues. The results of these deliberations were subsequently approved by the ESG committee.

We examined various indicators and targets pertaining to the material issues as outlined below.

- 1 Implementation of research into ESG assessment institutions and competitors' 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 target values**
We formulated indicators linked to the material issues and target values. These were subsequently approved by the ESG committee.

Material Issue Matrix Diagram



Unicharm Group Mid-to-Long Term ESG Objectives

Key initiatives, indicators, and target values

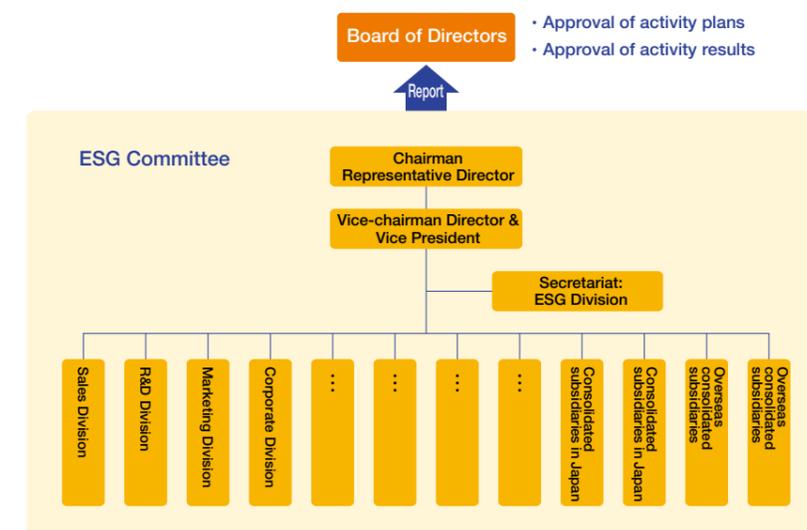
Key initiatives	Indicators	Target value	Target year
Safeguarding the well-being of individuals Our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives.			
Extension of healthy life expectancy 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%	2030
Support for a society where gender and sexual orientation do not restrict people's activities	Percentage of products and services that contribute to a society where people around the world are free from discrimination by gender or sexual orientation (including products and services that contribute to the elimination of sexual discrimination still present in certain countries and regions).	100%	2030
Coexistence with partner animals (pets)	Percentage of products and services that contribute to the realization of a society where partner animals (pets) are welcomed by family members and community residents.	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%	2030
Improvement of public hygiene	Percentage of products and services that contribute to activities which can reduce the spread of preventable infectious diseases (contact transmission or droplet transmission).	100%	2030
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.			
Innovations to achieve "NOLA & DOLA"	Percentage of products and services that contribute to liberation from various burdens and finding enjoyment in life.	100%	2030
Practicing sustainable lifestyles	Percentage of products and services suitable for the "SDGs Theme Guideline," an internal guideline for contributing to sustainability.	50%	2030
Construction of value chains that take account of sustainability	Percentage of products and services that use raw materials procured from local production for local consumption, thereby contributing to local economies based on the perspectives of the environment, society, and human rights.	Double (Compared to 2020)	2030
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share).	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%	2030
Safeguarding the well-being of our planet Our aim is to provide products and services that are sanitary and convenient, as well as contribute to activities that improve our planet's environment.			
Development of eco-friendly products	Number of products and services that implement "3Rs + 2Rs" based on Unicharm's unique approach.	10 or more	2030
Addressing climate change	Percentage of renewable energy used for business operations in total.	100%	2030
Expanding our line of recycled models	Number of disposable paper diaper recycling facilities introduced.	10 or more	2030
Promotion of product recycling	Material recycling of non-woven products using recycling resources.	Start of commercial usage	2030
Reduction of the amount of plastic materials used	Percentage of virgin plastics to total plastics.	Reduced by half (Compared to 2020)	2030
Unicharm Principles Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.			
Management practices that take sustainability into account	Maintain and improve ratings by external evaluation agencies.	Highest level	Every year starting from 2026
	Number of serious human rights violations in the value chain.	Zero occurrences	Every year
Practice of appropriate corporate governance	Number of serious compliance violations.	Zero occurrences	Every year
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women.	30% or more	2030
Fostering the development of competent human resources	Percentage of positive answers received for the "Growth through Work" 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.	Reduced by half (Compared to 2020)	2030

Unicharm Group Mid-to-Long Term ESG Objectives Contributing to SDGs

Key initiatives	SDG Icons																
Safeguarding the well-being of individuals																	
Extension of healthy life expectancy and improvement of QOL																	
Support for a society where gender and sexual orientation do not restrict people's activities																	
Coexistence with partner animals (pets)																	
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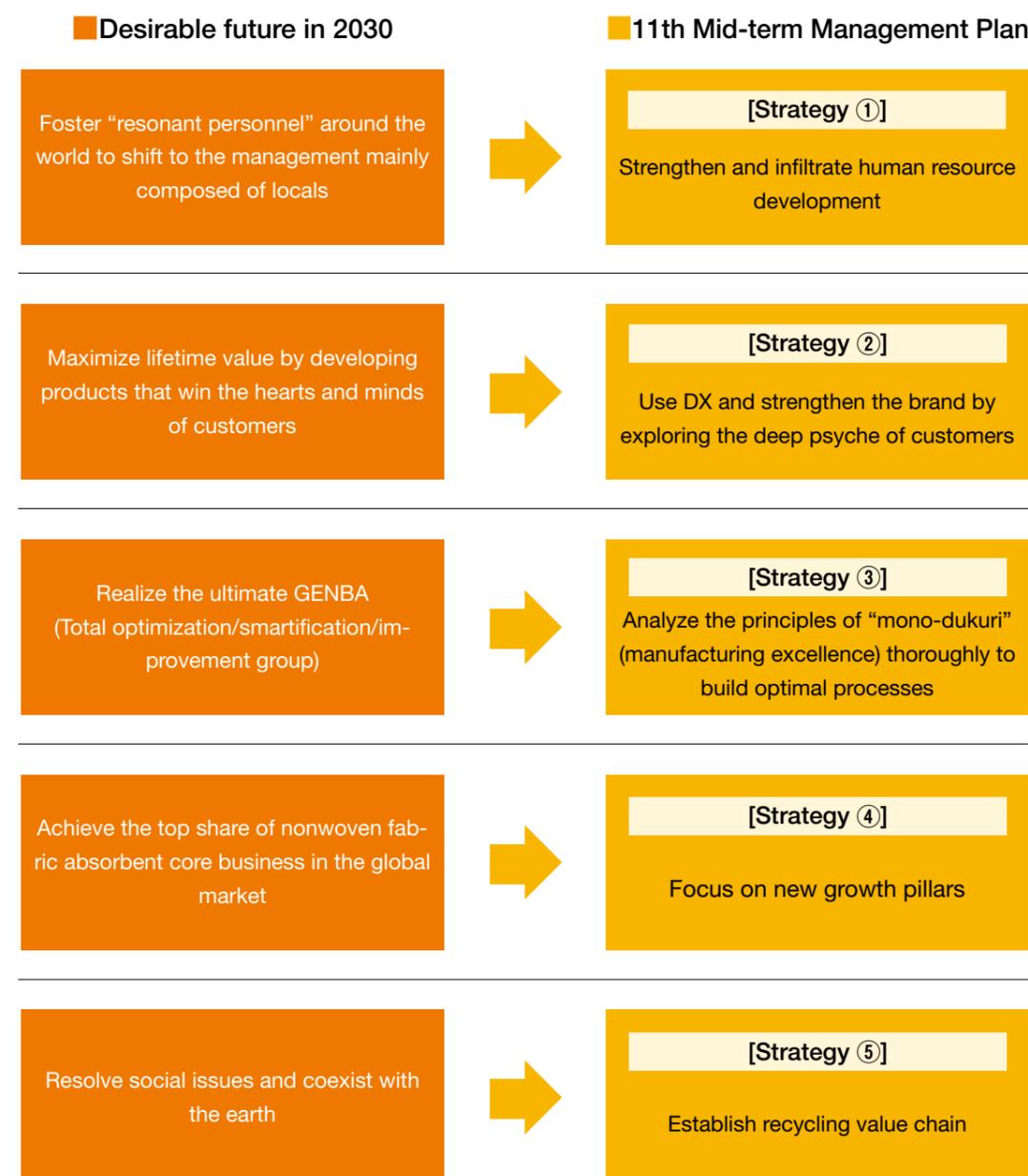
ESG Promotion Structure

"Kyo-sei Life Vision 2030" will be carried out with the following promotion structure, which is a cross-enterprise organizational system.



11th Medium-term Management Plan

Unicharm aims to achieve a prosperous, cohesive society where people all over the world can live in equality and comfort, their unique traits are respected, they support one another with kindness, and everyone's hearts are as one. To this end, we formulated our 11th Medium-term Management Plan for the period from January 1, 2021 to December 31, 2023.



Medium-term Management Plan to support sustained growth

In our 11th Medium-term Management Plan, we have established five strategies that will lead to the realization of our SDGs, which embody Unicharm's "Purpose." When formulating our strategy, we came up with ideas for achieving our desirable future in 2030 by working backwards from our goal of earning the No. 1 market share in the world and becoming the non-woven fabric/absorbent material manufacturer that contributes the most globally.

- Strategy ①**

Strengthen and infiltrate human resource development

We aim to enhance and spread personnel development around the world. To earn the No. 1 market share in the world and become the non-woven fabric/absorbent material manufacturer that contributes the most globally, the employees responsible for this must be the No. 1 personnel in the world. We also believe that it is important to promote the growth of each and every employee working in every country and region so that local personnel can take the lead in management.
- Strategy ②**

Use DX and strengthen the brand by exploring the deep psyche of customers

We will accelerate the development of products and services that lead to maximizing customer lifetime value. To do this, we will actively utilize digital technology in marketing and product development, which will lead to the development of products and services that reflect an understanding of our customers' unconscious desires. We also aim to develop new methods of providing value and take the initiative in proposing them. In January 2021, we established the DX Promotion Headquarters to facilitate the rapid enhancement of our data analysis capabilities and develop digital infrastructure.
- Strategy ③**

Analyze the principles of "mono-dukuri" (manufacturing excellence) thoroughly to build optimal processes

We will strive to transform our production processes globally and improve the efficiency of our assets. Until now, our supply network has been set up on a local subsidiary basis. We will revise this by building a supply system that puts company-wide optimization first, and we will improve the operation capacity of our equipment. In addition, we will promote the use of smart technology, such as through the automation of on-site work utilizing digital technology, which was preliminarily introduced at our Kyushu Factory.
- Strategy ④**

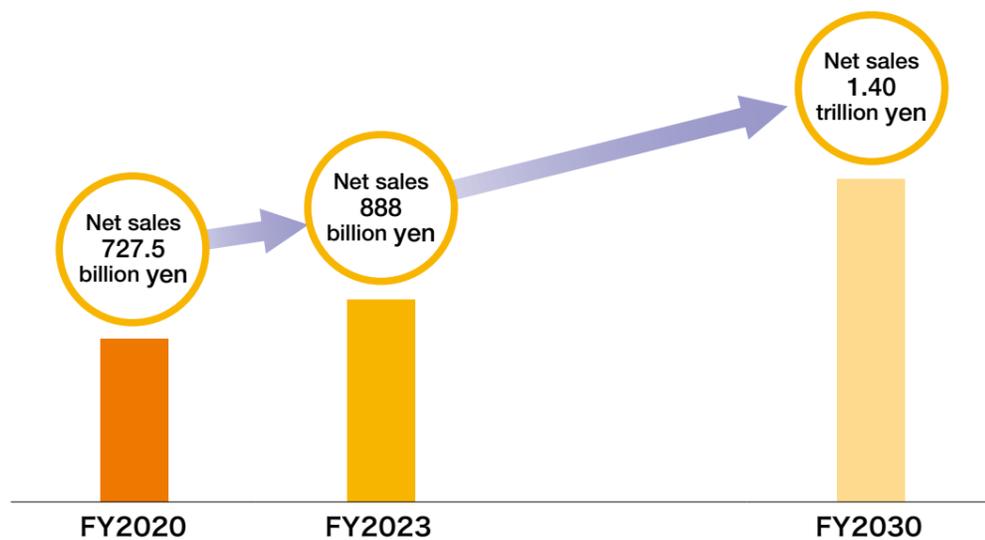
Focus on new growth pillars

We intend to develop new areas such as the African market, which has high growth potential, and expand our wellness care-related products (adult incontinence care products) and animal partner (pet) care businesses in China and Southeast Asia. We will aggressively make upfront investments to accelerate the development of growing markets and segments.
- Strategy ⑤**

Establish recycling value chain

With regard to business development, we are aiming for the thorough reduction of our impact on the environment. Last year (2020), we established "Three Zeroes" as our 2050 environmental vision. Specifically, these refer to zero waste plastic, zero CO₂ emissions, and zero deforestation. It is the responsibility of consumer goods manufacturers to promote the reduction of their environmental impact throughout their supply chain, from material procurement to manufacturing, transportation, and disposal after use. In particular, we will actively strengthen our activities toward commercializing the recycling of used disposable diapers.

Unicharm Group's Medium-term Financial Targets



Indicators	FY2020 Results	FY2023 Plan	FY2030 Ideal Image
Net sales	727.5 billion yen	888 billion yen	1.40 trillion yen
CAGR	-	+6.9%	+6.8%
Core operating income margin	15.8%	15.5%	17.0%
ROE	10.8%	15.0%	17.0%

In terms of medium- to long-term financial targets, we have set a sales target of 1,400 billion yen for FY2030. For FY2023, we set a sales target of 888 billion yen, a core operating income margin of 15.5%, and a ROE of 15%. We will lay the foundation for sustainable growth by implementing our five strategies.

We believe that sales growth will be the key to sustainable growth for Unicharm products, and that this in turn will lead to greater contributions to our customers. A CAGR (Compound Annual Growth Rate) of +6.9% is required for us to reach our FY2023 sales target. We are aiming for a CAGR of about +9% overseas and about +4% in Japan.

With regard to profitability, we consider the period covered by the current medium-term management plan as one in which upfront investment in areas such as DX, ESG, new development, growing segments, and more will be proactively promoted, so we will maintain our profitability.

Message from Outside Directors

I became an outside director in fiscal 2019. In order for Unicharm to grow in a sustainable manner by providing solutions to social challenges in realizing a cohesive society, I will continue to actively share my opinion at the Audit and Supervisor Committee and Board of Directors meetings based on my experience in marketing and corporate management. There are still many opportunities for Unicharm products to become useful in the daily life of more consumers around the world. Since last year, the threat of COVID-19 has impacted previous values and significantly changed the business environment. It is essential that we recognize new challenges and find the solutions, delivering these solutions following the SDGs with a broader and higher perspective. It is excellent that we are already implementing these activities on a regular basis. From the perspective of investors and shareholders, it is gradually becoming a common practice for companies to prioritize their ESG investments. At the same time, the company must strengthen its corporate governance and follow legitimate steps in producing sustained results. Going forward, I will continue to serve my role as an outside director, providing diverse perspectives from an independent and fair position.



Hiroko Wada
Outside Director and Audit and Supervisory Committee Member

As the Managing Director and Senior Partner of Boston Consulting Group in Tokyo, I have engaged in a wide range of discussions with many businesses on topics such as management challenges, vision, strategy and governance.

I believe it is my role to provide advice on challenges essential to Unicharm with consideration for future risks and opportunities, as well as support important decision-making and perform checks from a multifaceted perspective utilizing my experience.

Unicharm has achieved high growth by taking on social challenges with NOLA & DOLA as its corporate philosophy. However, in the era of VUCA, the difficulty of guaranteeing appropriate decision-making and execution with the future in mind is increasing. Additionally, with the spread of social challenges and change in their essence, the roles and responsibilities expected of Unicharm have also significantly increased. I hope to invigorate discussions by the Board of Directors through input as an outside director from a different perspective, mindset, and line of thinking.

I am fully committed to supporting Unicharm in realizing a cohesive society as stated in its mission.



Hiroaki Sugita
Outside Director and Audit and Supervisory Committee Member