

Fiscal Year
Ended December 31, 2021
(Jan 1, 2021 to Dec 31, 2021)
Unicharm Investor Meeting
Presentation Materials

February 15, 2022

Takahisa Takahara
President and CEO
Unicharm Corporation



NOLA&DOLA
Necessity of Life with Activities & Dreams of Life with Activities

I am Takahisa Takahara of Unicharm Corporation. I would like to begin the presentation.

Please refer to page three of the document.

Fiscal Year Ended December 31, 2021 (January 1 to December 31) Financial Performance Summary

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

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**Fiscal Year Ending December 31, 2021
(January 1, 2021 to December 31, 2021)
Financial Results Summary**



Consolidated

Sales 782.7 billion JPY (YoY +7.6%)

Core operating income 122.5 billion JPY (YoY +6.7%)

- Sales hit record high for the fifth consecutive year. Core operating income margin and current profit also hit record high.
- Performance was achieved in sales, core operating income, and income before taxes as expected.
- Sales progress in the 11th mid-term plan is steadily growing, although there is a foreign exchange effect.

Japan

0.8% sales increase, 1.4% profit increase

- Wellness Care Business, Pet Care Business and Feminine Care Business keep good performance with high value-added promotion.
- Profitability improved by the advanced product mix.

Overseas

12.1% sales increase, 12.5% profit increase

- Increase in sales and profits in Asia. Stable growth in China. Baby Care Business recovered and showed strong sales in India. Feminine Care Business and Wellness Care Business also steadily expanded in South East Asia.
- Sales and profits increased in other areas. Strong sales of side dish for cats continued in North America. Strong sales in the Middle East including export.

**Shareholder
Return**

Yearly dividend 36 yen per share

Increased dividend for 20 consecutive years

- Purchase of own shares: approx. 16 billion JPY, 3.62 million shares, as planned.

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This is a summary of the financial results for the fiscal year ended December 2021, with net sales of JPY782.7 billion, up 7.6% YoY.

Operating income was up 6.7% to JPY122.5 billion. Both were record highs. Both sales and profits increased in Japan and overseas.

We plan to increase dividends to shareholders for the 20th consecutive years.

**Sales hit record high for 5 consecutive years
High profitability was maintained even under a harsh environment**



● Consolidated account highlights (from Jan. to Dec.)	(100 millions of yen)					
	FY Ended Dec. 31, 2020	FY Ended Dec. 31, 2021	gap(yen)	gap (%)	(Forecast) FY Ending Dec.31,2021	Achievement (%)
Net sales	7,275	7,827	+552	+7.6%	7,700	101.7%
Core operating income (margin-%)	1,147 (15.8%)	1,225 (15.6%)	+77	+6.7% (-0.2P)	1,190 (15.5%)	102.9%
Profit before tax (margin-%)	958 (13.2%)	1,220 (15.6%)	+261	+27.3% (+2.4P)	1,170 (15.2%)	104.3%
Profit attributable to owners of parent company (margin-%)	523 (7.2%)	727 (9.3%)	+204	+39.0% (+2.1P)	750 (9.7%)	97.0%
EBITDA (profit before tax + depreciation/ amortization + fire accident loss)	1,479	1,647	+167	+11.3%	1,570	104.9%
Basic earnings per share (JPY)	87.60	121.78	+34.18	+39.0%	125.85	97.3%
USD Rate (JPY)	106.82	109.80	+2.98	+0.7%	103.50	—
CNY Rate (JPY)	15.48	17.03	+1.55	+7.9%	15.80	—

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Please see page four.

Here are the highlights of the financial results for the fiscal year ended December 2021. As I mentioned earlier, net sales were JPY782.7 billion, an increase of 7.6%. Core operating income increased by JPY122.5 billion, or 6.7%. It was the highest ever.

In Q3, the cost of raw materials increased, and distribution costs also rose. As a result, the core operating income margin deteriorated by 0.2 percentage points, but we were able to maintain a relatively high profitability with a margin of 15.6%.

This was due in particular to an improved product mix, which we were able to achieve in almost all of our markets.

The large increase in profit before tax and profit attributable to owners of the parent company is mainly due to the fact that in FY2020, there was a loss of about JPY15.9 billion in other expenses from the fire at the plant in India.

As shown in the right side of the table, net sales, core operating income, and profit before tax achieved the forecast of consolidated financial results, but profit attributable to owners of the parent company did not achieve the forecast. This shortfall was mainly due to an impairment loss of approximately JPY4.7 billion on the goodwill of the local subsidiary in Australia and an increase in the tax rate to be borne in terms of tax expenses.

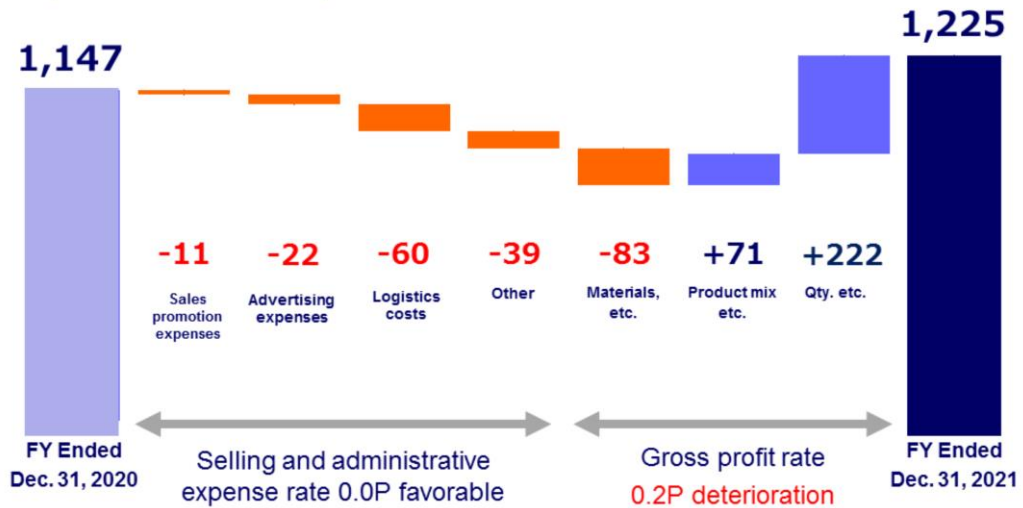
Product mix continually improved

Profit increased by 7.7 billion yen driven by increased volume from increased sales mainly in China, which absorbed additional costs



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

(100 millions of yen)



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I would like to explain the details of business results. Please turn to page 5.

First, the change in core operating income.

Let's start with the items on the left side of the table, regarding SG&A expenses. In terms of advertising expenses, China and the Middle East increased due to the launch of new products. Logistics costs increased in China, India, and Indonesia.

Other expenses increased due to personnel costs, digital-related outsourcing costs, and research and development costs. In materials, et cetera, the cost of raw materials rose rapidly in Q3, resulting in a decrease in gross profit of about JPY8.3 billion. The product mix has improved by introducing high value-added products throughout the year.

**Strong sales in Wellness Care, Pet Care, Feminine Care Businesses in Japan
Stable growth in China and South East Asia, recovery and strong sales in
India in Asia**



● Geographical segment information (from Jan. to Dec.)		(100 million yen)				
		FY Ended Dec. 31, 2020	FY Ended Dec. 31, 2021	gap(yen)	gap (%)	(Ref.) Actual gap rate ^{*1}
Japan	Net sales	2,924	2,949	+25	+0.8%	—
	Core operating income (margin)	575 (19.7%)	583 (19.8%)	+8	+1.4% (+0.1P)	—
Asia	Net sales	3,231	3,637	+406	+12.6%	+6.7%
	Core operating income (margin)	452 (14.0%)	510 (14.0%)	+58	+12.9% (+0.0P)	+6.4%
Others ^{*2}	Net sales	1,119	1,242	+122	+10.9%	+7.5%
	Core operating income (margin)	116 (10.3%)	129 (10.4%)	+13	+11.0% (+0.1P)	+7.8%
Consolidation	Net sales	7,275	7,827	+552	+7.6%	+4.5%
	Core operating income (margin)	1,147 (15.8%)	1,225 (15.6%)	+77	+6.7% (-0.2P)	+3.9%

[Actual gap rate of sales in main countries] *based on management accounting

China +6% Indonesia +9% Thailand +6% India +31% Vietnam +3% Middle East +6% North America +8% Brazil +1%

*1 : Actual gap rate excluding foreign exchange effects

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

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Please see page six. By region, as you can see at the top of the page, sales in Japan increased by 0.8%, and profit rose by 1.4%. In particular, we have responded to the high demand for masks and hygiene-related wet wipes due to the re-expansion of COVID-19. There was high growth in each of these growth segments, especially in Adult Diapers and Pet Care.

In sanitary products in Feminine Care, although the market is shrinking in scale, sales of high value-added products have contributed to increased sales and profits.

In the area of masks, Unicharm was able to increase sales of masks by more than 10%, or 11.6%, even though the mask market itself is shrinking due in part to the reaction to 2020.

For Asia, first of all, sales increased by 12.6%, operating income by 12.9%, and profit margin was 14%, a slight improvement here. Sales and profits increased in all major countries, and the improvement in China in particular, drove the overall performance.

In China, there was a slight decrease in sales due to the shutdown of the plant caused by the COVID-19, but in the end, sales increased by 6%. Sales and profits have also increased, especially in Baby Care, and our performance has been improving every quarter since the beginning of FY2021.

This was due to the steady expansion of the China-made Moony brand, which was launched in FY2019, covering the decline in sales of the previous Japan-made Moony and the Chinese-made standard-type MamyPoko.

In other parts of Asia, COVID-19 is also expanding, and although Vietnam and Thailand have been slightly affected, growth has been steady, including in Indonesia. In India, we were able to increase sales by 31% as production capacity returned to almost the same level as before the factory fire, and we were able to expand our products to all of India. The market share has also returned to the level before the fire at the plant. It has the largest market share of 34%. We were also able to achieve profitability.

Finally, let's talk about other areas. This is also a 10.9% increase in net sales and an 11% increase in operating income. In North America, sales of Pet Care continued to be very strong, and although there were some lost sales opportunities due to shortages of containers, sales increased by about JPY3.5 billion and profit increased by JPY700 million. This means the category of side dish for pets, and toiletries from Japan, have grown.

In the Middle East area, e-commerce is growing both within Saudi Arabia and in the Middle East, and we have been able to increase sales by working aggressively in these areas. In terms of market share, we maintained the top market share in the Middle East and maintained strong sales of not only Baby Care but also Feminine Care, including exports, and continued to increase sales by 22%.

In Brazil, due to the impact of the expansion of COVID-19, there were many supply chain disruptions, especially in Q4, resulting in a slight increase in sales, and as a result of the worsening foreign exchange environment, combined with cost increases, profits decreased, resulting in a loss of approximately JPY200 million.

Overseas and Asian markets keep overwhelming sales ratio



- Sales ratio of overseas markets



- Sales ratio of Asian markets



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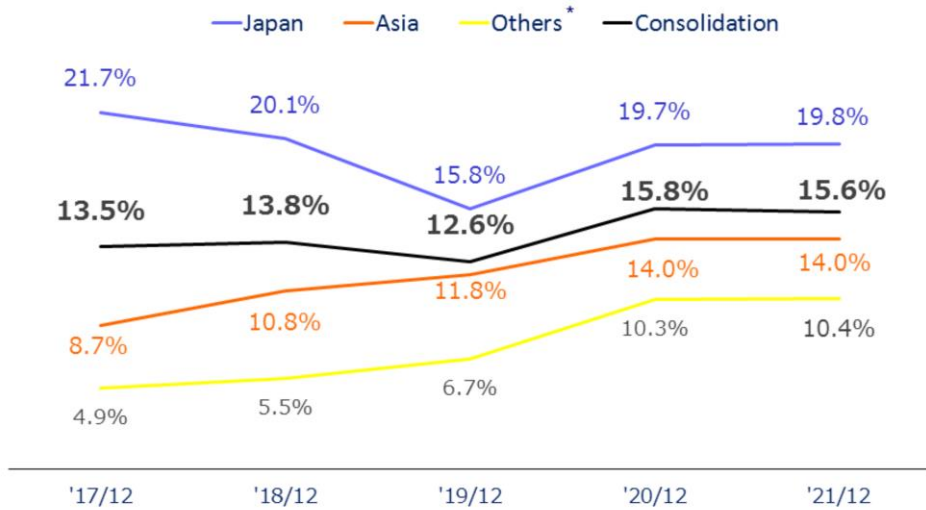
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Please see page seven. The sales ratio of Asian markets has grown significantly to 46.5% of consolidated sales.

Profitability improved in each area thanks to continuous sales increase effect and advanced product mix



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



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

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Please see page eight. This is the trend of the core operating income margin, and in the two years since the fiscal year ended in December 2019, the period before COVID-19, we have been able to steadily improve and maintain profit margins in all areas.

Feminine Care and Baby Care Business led Personal Care Business
Strong sales continued in Pet Care Business in Japan and North America
Investment increased in Asia



■ **Business Segment Information**
 (from Jan. to Dec.)

		(100 million yen)			
		FY Ended Dec. 31, 2020	FY Ended Dec. 31, 2021	gap (yen)	gap (%)
Personal Care	Net sales	6,248	6,720	+473	+7.6%
	Core operating income	1,000	1,073	+73	+7.3%
	(margin)	(16.0%)	(16.0%)		(-0.0P)
Pet Care	Net sales	957	1,045	+88	+9.2%
	Core operating income	142	146	+4	+3.1%
	(margin)	(14.8%)	(14.0%)		(-0.8P)
Others*	Net sales	70	61	-9	-12.5%
	Core operating income	6	5	-0	-4.1%
	(margin)	(8.0%)	(8.8%)		(+0.8P)
Consolidation	Net sales	7,275	7,827	+552	+7.6%
	Core operating income	1,147	1,225	+77	+6.7%
	(margin)	(15.8%)	(15.6%)		(-0.2P)

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

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Please see page nine. The following is an explanation of the segments by business: Personal Care, Pet Care, and others.

To reiterate, the key points for the increase in sales and profit in Personal Care are double-digit sales growth in Feminine Care and mid-single-digit sales growth in Baby Care, up about 6%. In particular, our Feminine Care business in China continues to do well, and in China, Baby Care is also doing well, as I mentioned earlier, with diapers made in China. And the recovery of production capacity in India is contributing to the increase in sales and profits.

On the other hand, in the Clean & Fresh category, sales of wet wipes decreased by 19% due to a rebound from the special demand for sanitizing wipes. This is a decrease of about JPY1.5 billion. However, compared to pre-COVID-19 in 2019, the Clean & Fresh business is still able to grow by more than 20%.

The Pet Care business exceeded net sales of JPY100 billion for the first time. Both sales and profits increased. In terms of content, the increase in revenue in the US and Japan of about 8% and about 9%, respectively, has led to a significant contribution.

With COVID-19, both the US and Japan have seen a recovery and improvement in business performance due to the increase in indoor ownership and cat ownership.

Impacts of foreign exchange fluctuations:
 Approx. 22.9 billion JPY increase in sales and
 approx. 3.3 billion JPY increase in core operating income



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

Currency	Exchange rate for 2020	Exchange rate for 2021	Rate change
China(CNY)	15.48	17.03	+10.0%
Indonesia(IDR)	0.0074	0.0077	+4.1%
Thailand(THB)	3.42	3.44	+0.6%
Saudi Arabia(SAR)	28.51	29.32	+2.8%
Vietnam(VND)	0.0046	0.0048	+4.3%
USA(USD)	106.82	109.80	+2.8%
India(INR)	1.45	1.50	+3.4%
Taiwan(TWD)	3.63	3.94	+8.5%
Netherland(EUR)	121.81	129.89	+6.6%
South Korea(KRW)	0.0907	0.0961	+6.0%
Australia(AUD)	73.67	82.48	+12.0%
Brazil(BRL)	20.92	20.37	-2.6%
Malaysia(MYR)	25.43	26.50	+4.2%
Egypt (EGP)	6.73	6.98	+3.7%

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Please see page 10. This is the impact of exchange rate fluctuations in each currency, which will have the effect of increasing sales by JPY22.9 billion compared to FY2020. There was an increase in operating income of JPY3.3 billion.

Summary of Performance Forecast FY Ending Dec. 31, 2022

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From after page 11, I will explain the earnings forecast and plan for the fiscal year ending December 2022.

Fiscal Year Ending December 31, 2022
Summary of Consolidated Performance Forecast



Consolidated

Sales 850 billion JPY (YoY +8.6%)
Core operating income 127 billion JPY (YoY +3.7%)

- Achieved a new record high with sales for the sixth consecutive year and core operating income for the third consecutive year.
- Amid soaring prices of material etc. (about 17.4 billion yen) and increasing costs due to still high logistics cost ratio, profit expansion by driving the markets with newly proposed values.
- Product development promotion that understands the deep psychology of customers by active DX.
- Capital investment: approx. 46 billion yen (amortization: approx. 40 billion yen).

Japan

Low single-digit increase in sales, slightly increased in profit

- Increased sales and profits in Wellness Care Business, Pet Care Business and Feminine Care Business.

Overseas

Sales increase more than 10%, increased in profit

- Increase in sales and profits in Asia. Increased sales and profits driven by China. Strong sales continue in India and South East Asia
- Increase in sales and profits in other areas. Strong sales continue in North America. High growth of Wellness Care Business in the Middle East.

Shareholder Return

Yearly dividend 38 yen per share
Plan to increase dividend for 21 consecutive years

- Purchase of own shares: plan to purchase up to approx. 17 billion JPY, approx. 4.2 million shares

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Please see page 12. Net sales are expected to increase by 8.6% to JPY850 billion. We plan to increase core operating income by JPY127 billion, or 3.7%. Each of these plans is set to reach a new record high.

We also plan to increase sales and profits, with overseas operations leading the way. Although the impact of soaring raw material prices will be even greater, and profitability will deteriorate slightly as a result, we plan to increase profits by more than 10% due to the effect of increased sales.

In Asia in particular, the Company expects sales and profit growth in Feminine Care and Baby Care in China to drive sales and profit growth. We also plan to continue our strong growth in India in Baby Care, and now in Health Care and Feminine Care in India. Not only in India, but we are also planning to maintain a strong performance in Southeast Asia.

In the rest of the world, Pet Care in North America will continue to perform well, and in the Middle East, we expect high growth in Wellness Care, such as adult diapers and masks.

In Japan, we are planning for an increase in sales in the low single digits. At the same time, the Company will absorb the impact of the rising cost of raw materials by strengthening the development of high value-added products in each category. As a result, we are planning for a slight increase in profit. The plan is for Wellness Care, Pet Care, and Feminine Care to continue to cover the decline in Baby Care sales.

Separately, DX-related expenses of about JPY700 million are included in the increase

in Headquarter expenses.

**Achieved a new sales record high for 6 consecutive years
Increased incomes mainly overseas absorbed higher costs to
secure increased profits**



● Consolidated account highlights

(100 million yen)

(from Jan. to Dec.)

	FY Ended Dec. 31, 2021	FY Ending Dec. 31, 2022	gap(yen)	gap (%)	(Ref.) Actual *1 gap rate
Net sales	7,827	8,500	+673	+8.6%	+6.5%
Core operating income (margin-%)	1,225 (15.6%)	1,270 (14.9%)	+45	+3.7% (-0.7P)	+2.0%
Profit before tax (margin-%)	1,220 (15.6%)	1,260 (14.8%)	+40	+3.3% (-0.8P)	
Profit attributable to owners of parent company (margin-%)	727 (9.3%)	792 (9.3%)	+65	+8.9% (+0.0)	
Basic earnings per share (JPY)	121.78	132.85	+11.07	+9.1%	
USD Rate (JPY)	109.80	113.50	+3.70	+3.4%	
CNY Rate (JPY)	17.03	17.50	+0.47	+2.8%	

*1 Actual gap rate excluding foreign exchange effects
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Please refer to page 13. This is a highlight of the consolidated financial results that I just explained, so I will skip this section.

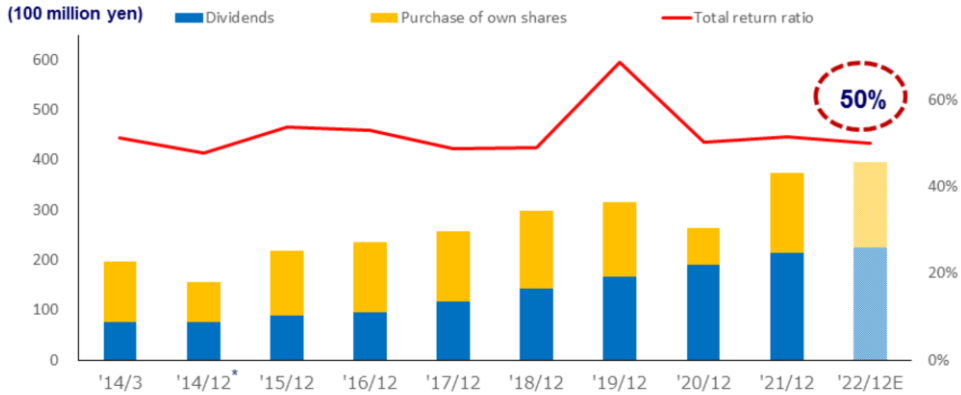
Shareholders Return Policy

Next, I would like to talk about our shareholder return policy.

Through the payment of dividend linking to the business performance and buy-back of our own shares, we are also aiming for total return ratio of 50% in 2022



● Shareholders return policy



* Irregular accounting period of 9 months.

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

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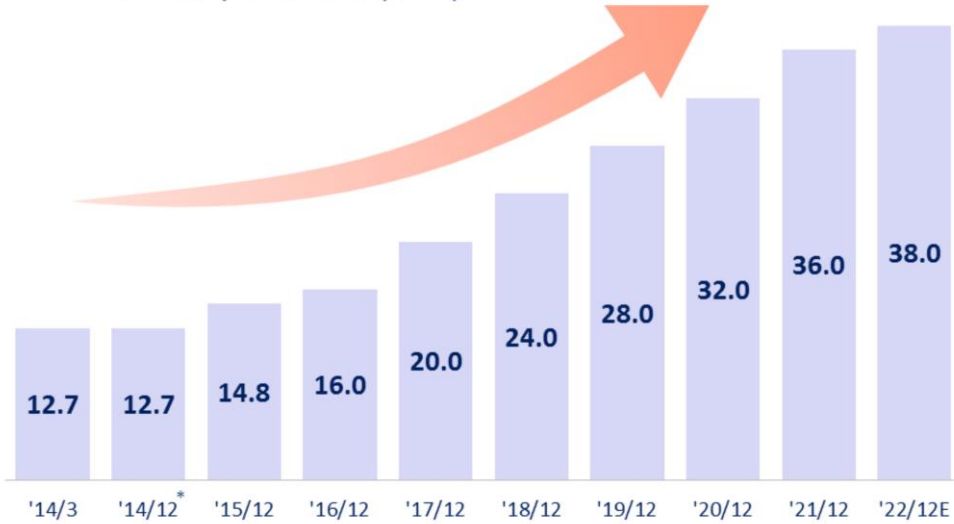
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On page 15, you will see our shareholder return policy and our plan to achieve a total return ratio of 50% while continuing to prioritize business investment to achieve sustainable growth.

Dividend per share
Plan to increase dividend for 21 consecutive years
(38 yen a year)



● Dividends per share (JPY)



* Irregular accounting period of 9 months

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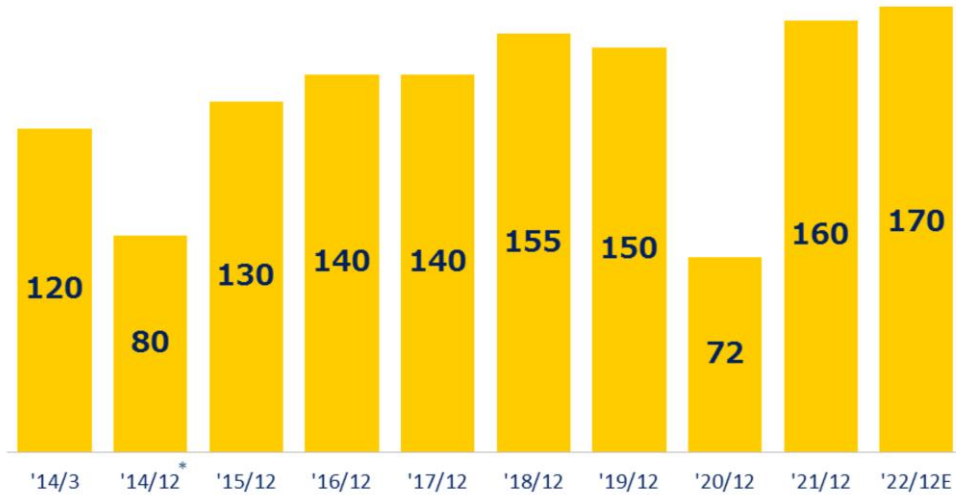
Please see page 16. We increased the dividend per share in FY2021 and plan to increase it by JPY2 to JPY38 in FY2022, making it the 21st consecutive years of dividend increases. Dividend payout ratio will be 28.5% on plan.

Flexible purchase of own shares depending on the cash condition

Plan to purchase up to 17 billion yen, 4.2 million shares, in 2022



● Share buy-back history (100 million JPY)



* Irregular accounting period of 9 months

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Please see page 17. The following is the trend of share repurchases. In the current fiscal year ending December 2022, we plan to implement a share buyback with a maximum acquisition price of JPY17 billion. The Company's Board of Directors has resolved today to acquire a maximum of 4.2 million shares, and we will implement this plan.

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

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From page 18, it is an explanation of our medium- to long-term ESG targets, which I have been explaining for some time now. We will skip this section.

Formulating Med-to-Long Term ESG Objectives "Kyo-sei Life Vision 2030"



◆ 20 key themes with the goal in 2030



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Formulating Med-to-Long Term ESG Objectives “Kyo-sei Life Vision 2030”



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

Safeguarding the well-being of individuals

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

Safeguarding the well-being of society

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

Safeguarding the well-being of our planet

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

Unicharm Principles

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

Key initiatives, indicators, and target values



◆ Safeguarding the well-being of individuals

Key initiatives	Indicators	Target value	Target year
Our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives.			
Extension of healthy life expectancy and improvement of QOL	Percentage of products and services that contribute to the realization of a society where everyone can have a sense of individuality.	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

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(Safeguarding the well-being of each individual)

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



◆ Extension of healthy life expectancy and improvement of QOL



Lifree Rehabili-Pants was released in 1995 aiming a total of “zero bedridden elderly”

Expand toward 2030



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

◆ Product rollout that suits users’ physical conditions.



◆ Aim to reduce dementia risk with frailty* countermeasures



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* The condition of being frail with physical, mental, psychological, and social aspects are all combined. The condition is progressive but improvable by countermeasures.

(Safeguarding the well-being of each individual)

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



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

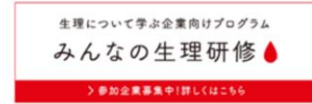


Expand toward 2030

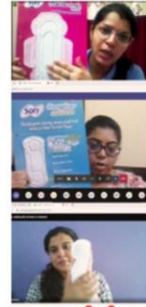


Rollout of products and services that enable to be free from discrimination by gender or sexual orientation

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



◆ Support menarche education and "pink ribbon" campaign globally

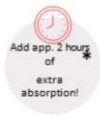


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(Safeguarding the well-being of each individual)
**New value proposition tailored to
national and regional characteristics**



◆ Easy, comfortable, and convenient feminine product to be used along with a regular pad



* The amount of menstrual blood varies between individuals

◆ Pants-shaped pad that integrates a pad and pants, heating napkin featuring warm sensation



Mildly Warm

Strongly Warm

◆ Cool napkin featuring refreshing cooling sensation that reduces stuffy discomfort



◆ The napkin features antibacterial sheet that inhibits 99.9% of bacterial growth, and keeps it completely safe from leakage and smell



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(Safeguarding the well-being of each individual)
**Support everyday health of partner animals (pets)
 and the mind of owners with original technology**



◆ Coexistence with partner animals (pets)



Rollout of products and services that enable partner animals (pets) to be welcomed by people

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

◆ Toiletry products that utilize processing and molding technology for nonwoven absorbent



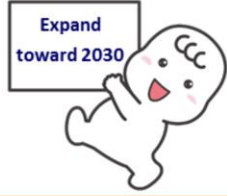
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(Safeguarding the well-being of each individual)

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



◆ Improvement of childcare



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

◆ Products that are uncompromising to safety and being gentle on the skin with the meticulous designs that fit to the growth



◆ Product differentiation to suit the needs of different countries and regions.



* The structure in which microcapsule containing natural active ingredient is applied to the tape part that holds diaper. Survey targets are disposable baby diapers with major global brands. (Survey by Unicharm, December 2020)

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(Safeguarding the well-being of each individual)
**Protect everyday health and support safe
and comfortable living**



◆ Improvement of public hygiene



Expand
toward 2030



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

◆ Pursuing functionality and comfort, developing
products that meet the actual usage and needs of
consumers

◆ Boost high value-added masks rollout globally



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Key initiatives, indicators, and target values



◆ Safeguarding the well-being of society

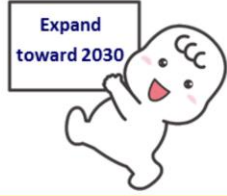
Key initiatives	Indicators	Target value	Target year
Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers, but also contribute to solving social issues and promoting sustainability.			
Innovations to achieve "NOLA & DOLA"	Percentage of products and services that contribute to liberation from various burdens and finding enjoyment in life.	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 society)

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



◆ Innovations to achieve “NOLA & DOLA”



Rollout of products and services that contribute to liberation from various burdens and find joy in life

◆ Launched “clear face mask” to improve communication between nursery teachers and children At nurseries subscribing “Tebura Toen”* service that lighten the burden of parents and teachers and reduce infection risk



[Effects of prolonged wearing of face-mask]

- * Unable to learn emotions due to inability to read nursery teachers' facial expressions of emotions
- * Unable to understand speech correctly due to inability to read lips of nursery teachers
- etc.

* Flat-rate service of baby disposable diapers for nurseries launched to reduce the burden of parents preparing diapers and carrying bulky bags to nurseries.
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Key initiatives, indicators, and target values



◆ Safeguarding the well-being of our planet

Key initiatives	Indicators	Target value	Target year
Our aim is to provide products and services that are sanitary and convenient, as well as contribute to activities that improve our planet's environment.			
Development of eco-friendly products	Number of products and services that implement "3Rs + 2Rs" based on Unicharm's unique approach.	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 disposable 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

◆ 「“0” waste plastic, “0” CO₂ emission, “0” natural forest destruction」 in 2050

Environmental issues	Implementation items	Baseline year	2030 targets	2050 vision
Responding to the problem of plastic waste	Reducing usage in relation to packaging materials	2019*	Per unit of sales -30%	Realizing a new society with “zero” plastic waste
	Sale of products that contain no petroleum-derived plastic	—	10 stock-keeping units (SKU) or more sold	
	Raising awareness about proper disposal of used products	—	Rolled out at all local management units (LMU)	
	Eliminating the use of plastic in sales promotional items	—	In principle, reduced to zero at all local management units (LMU)	
Addressing climate change	Reducing CO ₂ emissions associated with raw materials procurement	2016	Per unit of sales -17%	Realizing a society with “zero” CO ₂ emissions
	Reducing CO ₂ emissions in manufacturing	2016	Per unit of sales -34%	
	Reducing CO ₂ emissions associated with disposal of used products	2016	Per unit of sales -26%	
Not contributing to forest destruction (response to procurement-related issues)	Ensuring traceability to pulp and palm oil production locations (country/region)	—	Completed	Realizing a society with “zero” forest destruction related to the purchasing of timber
	Expanding the use of certified pulp (PEFC and CoC certified)	—	100%	
	Expanding the use of certified palm oil (RSPO certified)	—	100%	
	Promoting the recycling of disposable diapers	—	Rolled out in at least 10 municipalities	

*Initially, the baseline year for “Reducing usage in relation to packaging materials” was set to “2016”, but it was reexamined in 2020 and changed to “2019”.
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(Safeguarding the well-being of our planet)

Initiatives for safety and environmental consideration



◆ Development of eco-friendly products



2030 Target
More than 10
cases



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

◆ Paper package products using 100% recycled materials and products using plant-derived resources as part of the raw materials



◆ Declared to reduce plastic volume in sales promotion items in cooperation with Shiseido Japan Co., Ltd., Fine Today Shiseido Co., Ltd., and Lion Corporation



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(Safeguarding the well-being of our planet)

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



◆ Addressing climate change



2030 Target
100%



Percentage of renewable electric power used for business operation

◆ Countries and regions with over 5% renewable electric power used

Country	Percentage of renewable electric power
Brazil	100%
Vietnam	About 13%
Thailand	About 8%
Japan	About 5%

◆ Offices with 100% of renewable electric power used

Brazil
Jaguariuna Factory



Japan
Kyushu Factory



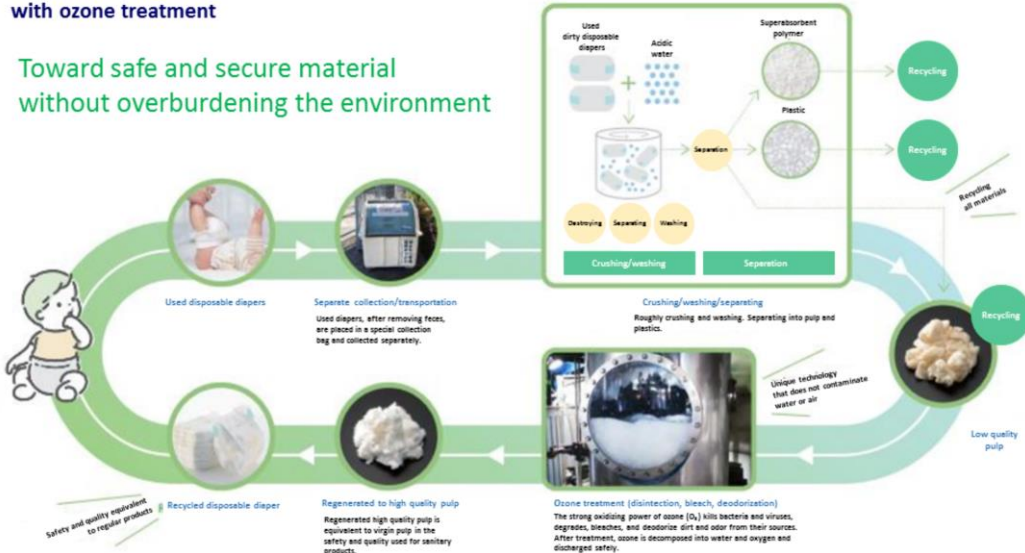
(Safeguarding the well-being of our planet)

The world's first* "used disposable diaper recycling using the ozone-treatment technology"



◆ Realized the recycling of used disposable diaper by water-soluble crushing, segregating, and washing with ozone treatment

Toward safe and secure material without overburdening the environment



* In terms of horizontal recycling technology from disposable diaper to disposable diaper by ozone treatment technology (Survey by Unicharm, December 2020)
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(Safeguarding the well-being of our planet)

Demo-project to promote recycling used disposable diaper



◆ Promote demo-projects of separate collection of used disposable diapers with municipalities and Odakyu Railway



<Demo-experiment diagram>

【Nursing homes, child day care centers,
general households】

【Collection】

【Recycling】



Sorting used disposable diaper



Efficient separate collection by municipalities and Odakyu Railway



Recycling Unicharm disposable diapers

Demo-project implemented in: Shibushi City, Ohsaki Town, Higashiyamato City

Through this demo-project, we will build a recycling-oriented model based on which the used disposable diaper recycling business can be rolled out in Japan and overseas and take measures while identifying the new issues.

(Safeguarding the well-being of our planet)

Released "An illustrated guide to recycling Unicharm disposable diapers" to promote recycling used disposable diapers



◆ Explain graphically how used diapers are not garbage with four-step "Study Notes" that can be used as a material of independent research for elementary and middle school students.

Study Note ①

Unicharm's circulation-based recycling of disposable diapers



- Study Theme: What is circulation-based recycling?
- World first! Unicharm's diaper circulation-based recycling

Study Note ②

Diaper recycling technology



- Study Theme: How disposable diapers are made of?
- Study Theme: How ozone treatment restores pulp?
- Study Theme: How acid treatment restores super-absorbent polymer (SAP)?

Study Note ③

What happens to the used diapers if they are not recycled?



- Study Theme: Problems with current ways of disposing used disposable diapers
- Recycling used disposable diapers contributes to the United Nations Sustainable Development Goals (SDGs)

Study Note ④

Safeguarding the global environment by recycling diapers



- Study Theme: Benefits of recycling used disposable diapers
- How can we keep used diapers out of the "garbage"?

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

Key initiatives, indicators, and target values



◆ Unicharm Principles

Key initiatives	Indicators	Target value	Target year
Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.			
Management practices that take sustainability into account	Maintain and improve ratings by external evaluation agencies.	Highest level	Every year starting from 2026
	Number of serious human rights violations in the value chain.	Zero occurrences	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

◆ Promotion of diversity management



2030 Target
Over 30%



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

◆ Joined “30% Club Japan” that aims at women’s empowerment



◆ Endorsed Women’s Empowerment Principles (WEPs) *1 and signed the statement to act in accordance with the principles.

In support of

**WOMEN’S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the UN Global Compact Office

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



Contribution to SUSTAINABLE DEVELOPMENT GOALS

Achieve a "Cohesive Society" (Social Inclusion)



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From page 40 onward, I would like to talk a little bit about digital technology and how Unicharm actually uses digital technology.

The main purpose of Unicharm's DX is to be used for product development.

Domestic initiatives utilizing digital technology-1



◆"Adult diaper counseling" that helps select the best choice of disposable diaper



◆Troubles about doggies and kitties are shared in DOQAT*



* DOQAT <https://doqat.jp/>

◆"Sofy menstruation management app" helps to address menstrual problems



◆"Online moony-chan class" and "Toilet training with moony-chan app" ease anxiety for childbirth and childcare



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Specifically, on page 41, the appropriate size of diapers in the adult field is shown on top left. You can measure your size with your smartphone with your clothes on, and next to it is a website for communicating with pet owners. We are working to create tools for communicating with pet owners about their pets' health and to use the content of these tools in product development.

Bottom left: this is the Sofy menstruation management app. Bottom right: this is an app that uses Moony-chan as a character for online toilet training with disposable diapers.

Domestic initiatives utilizing digital technology-2



◆ Support your kitty's health care in cooperation with RABO, Inc. *1



with
Catlog



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

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



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

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



*3 CHaiLD Co., Ltd. <https://c-c-s.jp/>
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◆ "Tebura Toen", which is a disposable diaper subscription service for nursery schools, can reduce the burden on parents and nursery teachers and infection risk



On page 42, in the upper left, this is Deo-toilet with Catlog. We have partnered with a company that provides digital support for cat health and physical condition management.

And next to it, on the upper right. We will improve the quality of baby's sleep and improve the quality of childcare through the science of baby sleep. In the end, it will be used to improve disposable diapers.

The same is true for our partnership with CHaiLD in the bottom left.

In the bottom right, this is Tebura Toen in Unicharm's subscription model. The number of nursery schools and kindergartens that are adopting our products is increasing very steadily.

Domestic initiatives utilizing digital technology-3



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



◆ Developed “Digital Scrum System” to discover customer insights



◆ Promoted visualized factories by installing various automated facilities and cutting-edge smart factories applying IoT



◆ Promoted labor/energy saving with smart logistics adopting automated warehouse equipment and the latest warehouse management system



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Please look at Page 43.

The upper left shows a mechanism that allows customers to make purchases more efficiently by digitally inputting product information outside the store before visiting the store. In addition, for the upper right, in order to discover customer insights, we are trying to maintain efficiency and effectiveness by remotely accessing the actual user's home or the actual place of use, even in this pandemic environment.

Although it is not possible to travel directly in this pandemic environment, evidence of the recent launch of new products is available through digital technology. We are developing new products by utilizing digital technology in this way.

The bottom left is the smart factory. In the midst of the steady use of IoT technology in the Kyushu factory, visualization of factory conditions is being used to improve productivity. The bottom right is the automated rack. Unicharm is very active in this area and is promoting labor/energy saving.

Overseas initiatives utilizing digital technology



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



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



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



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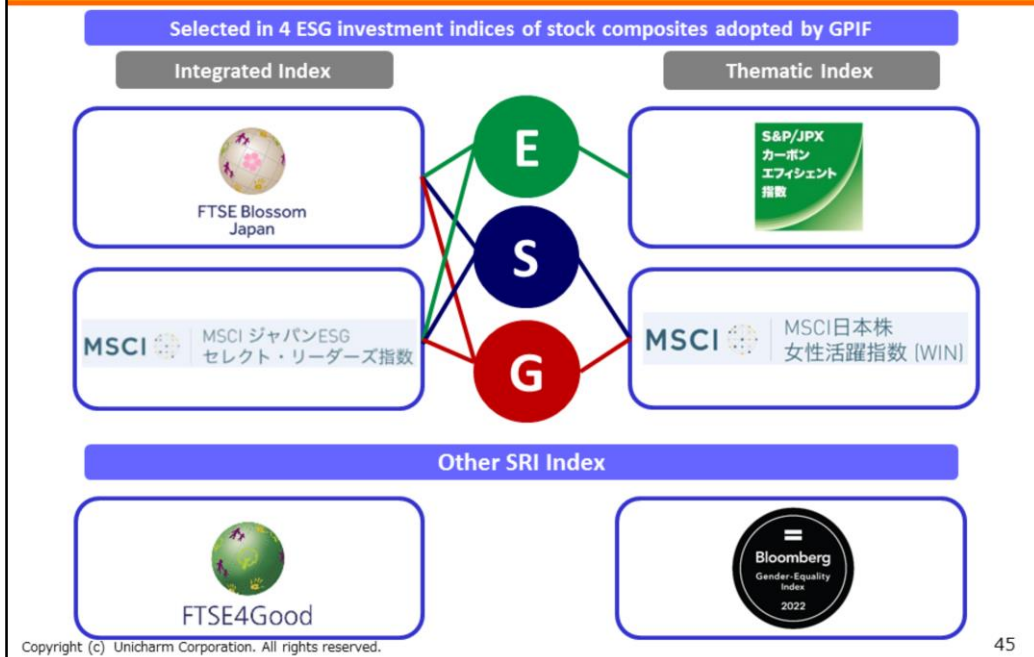
44

Page 44 is the case of China. Pet note is for pet health check in China. The pet category in China is also becoming very large, so we are actively working on an app called Pet note, an O2O pet clinic introduction platform.

Bottom left is the Sofy app that supports women's physiological knowledge and worries.

On the bottom right is a case study of Mamypoko Club, which improves both UI and UX to create a unique customer experience for baby diapers.

Evaluation by external organizations and coordination with them



45

On page 45 and thereafter, evaluation by external organizations and coordination with them, which I have already explained. We have been selected for all ESG indices adopted by GPIF.

In the following pages, you will find information about the evaluations we have received from external organizations, so please check back later.

I have just finished my presentation in 20 minutes, so if you have any questions, please feel free to ask them.

Evaluation by external organizations and coordination with them



■ Science Based Target



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- ✓ In June 2018, the company was certified as the 17th target-setting company in Japan.
- ✓ Set the target for CO₂ overall reduction amount.

■ TCFD (Task Force on Climate-related Financial Disclosures)



- ✓ Endorsed "TCFD Recommendations"
- ✓ Participated in TCFD consortium

■ JCI (Japan Climate Initiative)



- ✓ Rolled out the best practices for advanced group as a startup member

■ FSC® (Forest stewardship council®)



The mark of
responsible forestry
FSC® N002492

- ✓ Preferential use of the pulp which cleared the strictest certification standards in forest certification.
- ✓ Cosponsoring the FSC Japan promotional campaign for 4 consecutive years

■ CDP Japan 500



- ✓ Obtained A- rating for efforts to combat climate change and excelling in information disclosure.

■ RSPO



- ✓ Started using certified palm oil (Mass Balance) in 2018 with the aim of procuring responsible palm oil

Evaluation by external organizations and coordination with them



■ CoC certification*1 of PEFC Forest Stewardship



- ✓ Factories in Thailand, Indonesia, Korea, North America, Malaysia and Japan etc. acquired the certification

*1 A scheme that certifies the proper management and processing of forest products sourced from the Forest Management certified forests. Applicable to all business entities that have ownership in the product from FM certified forest to the final product.

■ Inclusion for people with disabilities Advancement of International Initiative Joined "The Valuable 500"



■ STANDARD100 by OEKO-TEX®



- ✓ "Natural moony (tape type)" acquired Japan's first*2 OEKO-TEX certification

*2 January 2020 (Survey by Unicharm)

■ Signed the project "My human rights declaration" promoted by Ministry of Justice



■ Sedex



- ✓ Joined as AB member toward the expansion of sustainable supply chain built on a global scale
- ✓ Completed self-assessment questionnaires for Unicharm group's factories in Japan and overseas
- ✓ Relationships with about 50% of raw material suppliers and OEM manufacturers were established by the end of December 2021

Evaluation by external organizations and coordination with them



■ SOMPO Sustainability Index



Sompo Sustainability Index

- ✓ Efforts related to ESG were highly valued and we were selected in stock composites of "SOMPO Sustainability Index" for 10 consecutive years.

■ Yr. 2022 Selected for "Bloomberg Gender Equality Index" for the second consecutive year



■ Certified as Sports Yell Company 2021 by Japan Sports Agency



■ Selected as DX Stock 2021 and Noteworthy DX companies 2021

- ✓ Developed "digital scrum system" that enables remotely observing real-life situations and habits of clients
- ✓ A new business model utilizing digital technology, "Tebura Toen," which is a disposable diaper subscription model
- ✓ Transformed Kyushu factory to smart factory

Evaluation by external organizations and coordination with them



- Won a special prize in Environment Sustainable Corporate category of the 2nd ESG Finance Awards Japan



- Jointly won “Logistics DX and Standardization Award” in FY2021 Green Logistics Partnership Conference^{*1}

✓ Unicharm Products Co., Ltd., together with Sumitomo Seika Chemicals C., Ltd., Hitachi Transport System, Ltd., Imoto Lines, Ltd., and VANTEC CORPORATION, was appreciated for the efforts of converting containers to export products to overseas to domestic material transportation

^{*1} In the Conference, the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, etc. award business operators that especially show significant achievement in development of sustainable logistics system

- Won “SDGs Strategy/Economic Value Award” in the 3rd Nikkei SDGs Management Awards

✓ Activities such as initiatives supporting women worldwide for many years and “used disposable diaper recycling” in the ongoing demo-project are appreciated

- Won the 2nd SCA Award - companies creating “next generation human resources” that can be recommended to people in their 20s -

Career
SelectAbility
AWARD 2021

- The ‘moony wipes’ series won an award in the 13th Mothers Selection Award 2021^{*2}



^{*2} An award that is selected and commended based on the results of votes from mothers as part of child-rearing/mother support.

- Won Outstanding Merit Award at the 37 Corporate Communication Award

✓ Contributed to boost corporate value significantly through various PR activities to gain recognition of “safe, secure and reliable Unicharm’s masks” amid the mask shortage, which became a social problem under COVID pandemic

