

**First Quarter of Fiscal Year
Ending December 31, 2022
(Jan 1, 2022 to Mar 31, 2022)
Unicharm Investor Meeting
Presentation Materials**

May 9, 2022

Takahisa Takahara
President and CEO
Unicharm Corporation



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

I am Hirotasu Shimada of Unicharm. Thank you for joining us today.
I would like to explain in accordance with the materials at hand.

**First Quarter of Fiscal Year
Ending December 31, 2022
(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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The first is a summary of the financial results for the first quarter of the fiscal year ending December 2022.

First Quarter of Fiscal Year Ending December 31, 2022
(January 1, 2022 to March 31, 2022)
Financial Results Summary



Consolidated

Sales 204.4 billion JPY (YoY +12.3%)
Core operating income 29.9 billion JPY (YoY -4.5%)

- Sales hit record high
- Performance steadily improved as expected in both sales and core operating income margin.

Japan

6.4% sales increase, 1.1% profit increase

- Wellness Care Business, Pet Care Business and Feminine Care Business keep good performance with high value-added promotion.
- Profitability secured by effective investment of marketing expenses and the advanced product mix.

Overseas

15.6% sales increase, 7.9% profit decrease

- Increase in sales and decrease in profits in Asia. Increased sales are driven by Indonesia, India, and Vietnam. Decreased profits affected by the adjustments made by Baby Care Business in China, which accelerated the shift to high-gross profit products.
- Increase in sales and profits in other regions. Performance improved in North America thanks to the value pass-through onto value-added products.

**Shareholder
Return**

Yearly dividend 38 yen per share
Increased dividend for 21 consecutive years

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

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Please see page three for a summary of the financial results.

Sales hit record high in the first quarter
Performance steadily improved as expected even under a harsh environment



● Consolidated account highlights
(from Jan. to Mar.)

(100 millions of yen)

	1Q of FY Ended Dec. 31, 2021	1Q of FY Ending Dec. 31, 2022	gap(yen)	gap (%)	(Forecast) FY Ending Dec. 31, 2022	Achievement (%)
Net sales	1,820	2,044	+224	+12.3%	8,500	24.0%
Core operating income (margin-%)	314 (17.2%)	299 (14.7%)	-14	-4.5% (-2.5P)	1,270 (14.9%)	23.6%
Profit before tax (margin-%)	342 (18.8%)	308 (15.1%)	-34	-10.1% (-3.7P)	1,260 (14.8%)	24.4%
Profit attributable to owners of parent company (margin-%)	201 (11.0%)	168 (8.2%)	-33	-16.3% (-2.8P)	792 (9.3%)	21.2%
EBITDA (profit before tax + depreciation/ amortization + fire accident loss)	434	405	-29	-6.8%	1,660	24.4%
Basic earnings per share (JPY)	33.56	28.22	-5.34	-15.9%	132.81	21.2%
USD Rate (JPY)	105.90	116.20	+10.3	+9.7%	113.50	—
CNY Rate (JPY)	16.36	18.29	+1.93	+11.8%	17.50	—

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Please turn to page four. These are the highlights of the financial results.

As for business results, net sales increased by JPY204.4 billion, or 12.3%, to a record high for the first quarter.

Operating income decreased by 4.5% YoY to JPY29.9 billion. The price of raw materials has continued to rise due to the rise in raw material prices from the oil market since last year, and the core operating income margin deteriorated by 2.5 percentage points to 14.7% due to the rise in logistics costs, but we were able to maintain a high level of profitability.

We believe that the results of our steady implementation of continuous introduction of value-added products that are closer to consumers, sustained improvement of product mix, and improvement of productivity are the reasons why we have been able to maintain high profitability even under the recent severe environment.

As shown on the right side of the table, consolidated net sales, core operating income, and income before income taxes were favorable, while profit attributable to owners of the parent company was slightly delayed. The main reason for this is that the depreciation of the yen was higher than expected in the tax expense portion, and the tax effect burden related to retained earnings of overseas subsidiaries rose as a result of the translation.

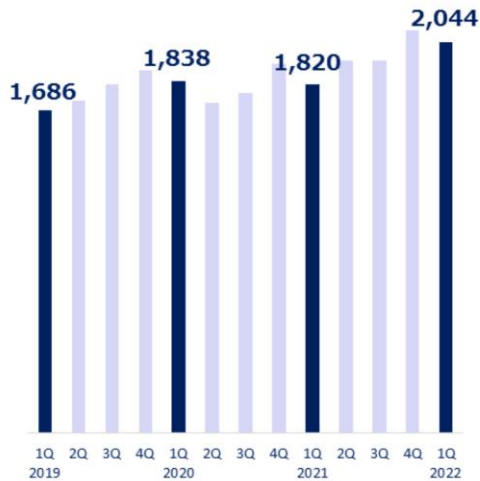
The details of the financial results will be explained on the next and subsequent pages.

Stable sales growth amid COVID-19 pandemic
High profit standard was secured under the pressure of cost rise



● Sales trend (quarterly)

(100 millions of yen)



● Core operating income trend (quarterly)

(100 millions of yen)



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Please see page five. This is the quarterly performance trend.

Even with COVID-19, although there are some areas that are currently on lockdown, the market for the product categories we handle has improved, and we have been expanding our top line while gradually changing the product mix in each country, and especially in Japan, by responding to demand for infection prevention products, such as masks and sterile wet wipes. We were able to achieve steady growth in sales.

Also during the quarter, we were able to maintain record-high profit levels despite severe cost pressures, including further increases in raw material prices.

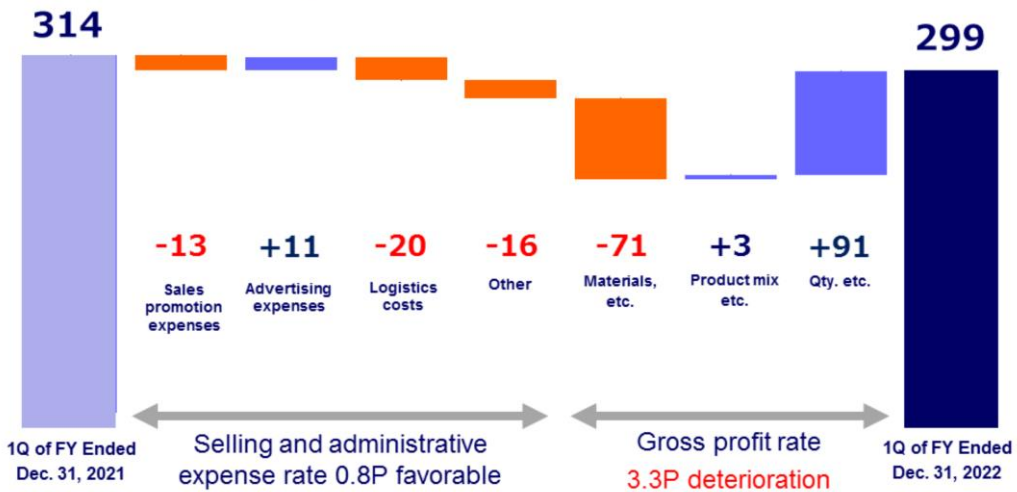
Effective investment of marketing expenses amid a harsh business environment

Absorbed the soaring prices of raw materials through the volume effect of continuous expansion of value-added products



● **Core operating income fluctuation**
(from Jan. to Mar.)

(100 millions of yen)



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Please see page six. This is the change in core operating income.

SG&A expenses as a percentage of net sales improved by 0.8 percentage points but increased by approximately JPY3.8 billion, partly due to an increase in sales.

Logistics costs, in particular, increased in Indonesia, China, and India, due in part to recent supply chain disruptions and soaring oil prices. The increase in other expenses of JPY1.6 billion was mainly due to personnel, R&D, digital-related, and market research expenses. On the other hand, advertising expenses decreased by JPY1.1 billion as a result of more efficient advertising placement in media viewed by consumers, mainly in Japan.

The next item is related to gross profit. In the raw material-related business, the sharp rise in raw material unit prices since the second half of last year had a negative impact of approximately JPY7.1 billion on gross profit compared with the same period of the previous year. In absorbing this, we were able to increase value through continuous development of value-added products and to increase gross profit by striking a good balance in areas such as product mix and volume.

As further increases in raw material prices are expected in the future, we will strive to absorb these increases by passing on value through new value-added products in each country and region and by implementing efficient marketing and productivity improvements.

Performance was led by Feminine Care, Wellness Care, and Pet Care Businesses in Japan
Value pass-through onto value-added products advanced smoothly in North America and Indonesia



● Geographical segment information (from Jan. to Mar.)		1Q of	1Q of FY	gap(yen)	gap (%)	(Ref.) *1 Actual gap rate
		FY Ended Dec. 31, 2021	Ending Dec. 31, 2022			
Japan	Net sales	657	699	+42	+6.4%	—
	Core operating income (margin)	135 (20.5%)	136 (19.5%)	+1	+1.1% (-1.0P)	—
Asia	Net sales	883	994	+111	+12.5%	+4.7%
	Core operating income (margin)	149 (16.9%)	130 (13.1%)	-19	-12.9% (-3.8P)	-19.0%
Others *2	Net sales	280	351	+71	+25.4%	+15.8%
	Core operating income (margin)	28 (10.1%)	34 (9.6%)	+5	+18.5% (-0.5P)	+8.1%
Consolidation	Net sales	1,820	2,044	+224	+12.3%	+7.0%
	Core operating income (margin)	314 (17.2%)	299 (14.7%)	-14	-4.5% (-2.5P)	-8.3%

[Actual gap rate of sales in main countries] *based on management accounting
 China -9% Indonesia +18% Thailand +1% India +21% Vietnam +3% Middle East +5% North America +31% Brazil -11%

*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 seven of the document. Geographical segment information.

In Japan, net sales increased by 6.4%, and income rose by 1.1%, while the core operating income margin deteriorated by 1 percentage point to 19.5% due in part to the impact of higher raw material prices. Despite the impact of sharp cost increases, the product mix improved, and we were able to absorb the costs well.

Among other things, the premiumization of Feminine Care was promoted, resulting in an increase in sales of more than 10%. Adult diapers and Pet Care continued to increase sales, each in the high single digits. Growth was also driven by continued high demand for masks and other hygiene-related products.

Next, I will talk about Asia. In Asia, net sales increased by 12.5%, core operating income decreased by 12.9%, and core operating income margin was 13.1%. In major Asian countries, although affected by the sharp rise in raw material prices, sales are progressing steadily within expectations. As shown in the bottom row of the table, “Actual gap rate of sales in main countries” in China declined. This is primarily due to Baby Care.

Due in part to rapidly rising costs, we are taking immediate action to improve profitability by shifting large Japanese-made products to premium Chinese-made products by the end of this fiscal year. This time, costs were used upfront for that inventory adjustment, resulting in a negative impact.

Feminine Care, on the other hand, continued to increase revenues despite last year’s hurdles. Premium products made of organic cotton, pants-type sanitary napkins, and nighttime sanitary napkins continued to perform well and drive our

business performance. In the rest of Asia, as shown in the lower part of the document, we have been able to grow faster than the market growth, especially in Indonesia.

Finally, I will talk about Others. Net sales increased by 25.4%, and although the core operating income margin deteriorated by 0.5 percentage points to 9.6%, core operating income increased by 18.5%. For Pet Care in North America, we were able to increase sales by 31% and significantly improve profitability by passing on value while adding value, such as cat treats.

In the Middle East, sales in Saudi Arabia increased due to the development of sales channels in Wellness Care and growth of the e-commerce channel, and in merchandise, continued strengthening of sales of disposable diapers and sanitary products containing olive oil as well as masks.

As for Brazil, sales declined due in part to supply chain delays caused by the COVID-19 re-expansion in January. Although we proceeded with value shifting, we were unable to fully absorb the impact of the unfavorable foreign exchange environment and soaring raw material prices, resulting in a decrease in profit.

Overseas sales ratio rose to a record high

Overseas and Asian markets keep overwhelming sales ratio



- Sales ratio of overseas markets



- Sales ratio of Asian markets



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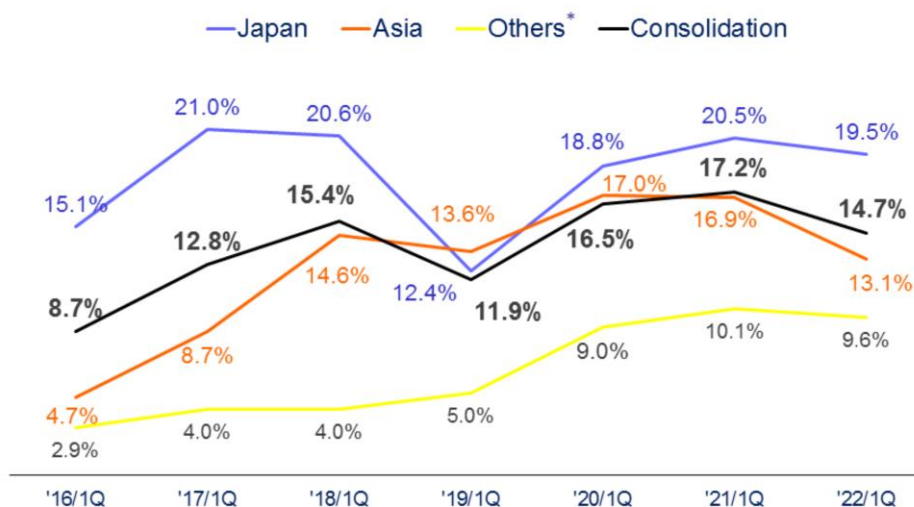
Please see page eight of the material.

This graph shows the sales ratio of overseas markets. Overseas accounted for 66.3% of the total, rising to a record-high level.

Secured high profitability despite sharp cost increases thanks to continuous improvement of product mix and expansion of value-added products



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



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

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Please see page nine of the material. This is a graph of core operating income margin by geographical segment.

Although profitability in the quarter under review deteriorated YoY, it is not low by any means from a historical perspective. In 2017 and 2018, profitability temporarily improved due to demand for Japanese products in China. These were reset in 2019, and due to the impact of soaring raw materials, etc., it fell to 11.9%. In the most recent years, 2020 and 2021, the Company's profit margin was very high due to the easing of raw material prices and the increase in the composition of masks and other high-profitability segments as a result of COVID-19.

Again, we believe that the steady implementation of continuous introduction of high value-added products that are close to consumers in each region, sustained improvement of the product mix in line with demographic and economic conditions, and improvement of productivity are the reasons why we have been able to maintain high profitability even in such a difficult environment.

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



■ Business Segment Information
 (from Jan. to Mar.)

(100 millions of yen)

		1Q of FY Ended Dec. 31, 2021	1Q of FY Ending Dec. 31, 2022	gap(yen)	gap (%)
Personal Care	Net sales	1,578	1,763	+186	+11.8%
	Core operating income	278	263	-16	-5.6%
	(margin)	(17.6%)	(14.9%)		(-2.7P)
Pet Care	Net sales	223	263	+40	+17.8%
	Core operating income	33	35	+2	+6.4%
	(margin)	(14.9%)	(13.5%)		(-1.4P)
Others*	Net sales	19	18	-2	-9.4%
	Core operating income	2	1	-1	-30.7%
	(margin)	(9.7%)	(7.4%)		(-2.3P)
Consolidation	Net sales	1,820	2,044	+224	+12.3%
	Core operating income	314	299	-14	-4.5%
	(margin)	(17.2%)	(14.7%)		(-2.5P)

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

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Next, please see page 10. Business segment information.

As for Personal Care, net sales increased, but income decreased. Despite some impact from the re-expansion of COVID-19, Feminine Care and Wellness Care each grew steadily with double-digit revenue growth, with Feminine Care in China continuing to contribute the most to revenue and profit growth.

In addition, Baby Care sales were steady, especially in India and Indonesia, but as explained earlier, a shift to high value-added products in China had an impact, resulting in a mid-single-digit increase in sales and a decrease in profit.

As for Pet Care, both sales and income increased. As for the details, as I explained earlier by region, North America led the increase in sales and profit, thanks to the contribution of cat treats. Meanwhile, growth in Japan remains high. Cat-related products, for which the number of indoor pet-keeping is on the rise, performed well, but profitability deteriorated, partly due to soaring raw material prices.

In addition, we are actively investing expenses in China to prepare for business expansion. We are also expanding our business in Thailand and Indonesia in the same manner.

**Impacts of foreign exchange fluctuations:
Approx. 9.6 billion JPY increase in sales and
approx. 1.2 billion JPY increase in core operating income**



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

Currency	Exchange rate for 1Q of FY ended December 31, 2021	Exchange rate for 1Q of FY ending December 31, 2022	Rate change
China(CNY)	16.36	18.29	+11.8%
Indonesia(IDR)	0.0075	0.0081	+8.0%
Saudi Arabia(SAR)	28.27	31.02	+9.7%
Thailand(THB)	3.50	3.52	+0.6%
India(INR)	1.46	1.56	+6.8%
Vietnam(VND)	0.0046	0.0051	+10.9%
USA(USD)	105.90	116.20	+9.7%
Netherland(EUR)	127.69	130.39	+2.1%
Taiwan(TWD)	3.78	4.16	+10.1%
South Korea(KRW)	0.0952	0.0965	+1.4%
Malaysia(MYR)	26.05	27.72	+6.4%
Australia(AUD)	81.81	84.03	+2.7%
Brazil(BRL)	19.37	22.30	+15.1%
Egypt (EGP)	6.74	7.23	+7.3%

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Please see page 11 of the material. This is the impact of foreign exchange fluctuations of each currency.

Due to fluctuations in the exchange rates of various currencies, the effect of translating the results into financial statements at the closing rate was an increase in net sales of approximately JPY9.6 billion compared to the first quarter of FY2021 and an increase in core operating income of approximately JPY1.2 billion.

Summary of Performance Forecast FY Ending Dec.31, 2022

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From here, I will explain how we have responded to various changes in the external environment since the forecast for the fiscal year ending December 2022, which we announced in February this year.

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%)

[Progress]

- The sales show better performance than expected. Core operating income remains in line with expectations.

[Environmental change from initial assumption]

- Oil market prices continue to rise due to uncertainties in Ukraine.
- As a result, soaring prices related to raw materials and distribution costs are expected to rise further.
- Rapid exchange fluctuations (yen alone is weak).
- Supply stagnation due to lockdown in Shanghai, China.

[Response to environmental change]

- Promote value pass-through onto value-added products in each country and region.
- Accelerate the shift to high-gross profit products.
- Improve marketing efficiency furthermore to reduce costs.
- The weak yen against each currency is positive in total.
- In China, supply is covered by other bases to prepare for demand after lockdown.

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Please look at page 13. This is a summary of the annual consolidated performance forecast.

Net sales were JPY850 billion, up 8.6%, and core operating income was JPY127 billion, up 3.7%, in line with our initial forecast.

As for progress, net sales are trending upward, and core operating income is trending along the expected line.

In our initial forecast, we had anticipated a certain degree of cost increases due to soaring raw material prices and high logistics cost rates, but due to various changes in the environment over this short period of time, we expect costs, especially those related to raw materials, to rise further. The raw material-related costs are expected to rise by JPY17.4 billion yen as raw materials-related costs are expected to rise to around JPY11.9 billion in the first half as originally planned, and in

the second half, considering the current oil market conditions, there is a possibility that it will rise significantly.

In order to absorb this, we have already implemented value shifting through value-added products in Pet Care in North America, Indonesia, and other countries, and this is showing steady results. In each country and region, we will continue to strongly promote value transfer when offering new value-added products, while keeping an eye on the market environment. We will also continue to improve the efficiency of marketing expenses and productivity improvements to absorb costs.

No change in performance forecast
The cost increase will be absorbed by steady implementation of
strategies with a medium- to long-term perspective



● Consolidated account highlights

(100 million of 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	132.81	+11.03	+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 turn to page 14. Consolidated account highlights.
 The contents are as explained earlier.

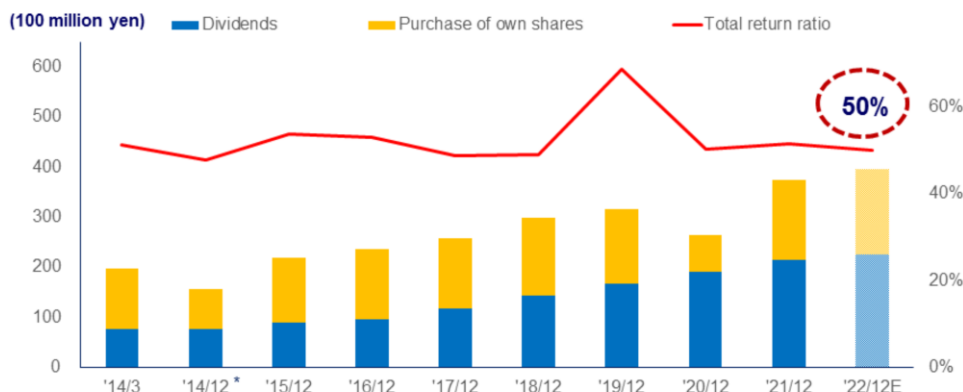
Shareholders Return Policy

Next, I would like to explain about shareholder return.

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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Please turn to page 16.

Regarding the Company’s shareholder return policy, while prioritizing business investment to achieve sustainable growth, the Company will pay stable and continuous dividends, based on medium- to long-term consolidated performance growth, and will flexibly purchase treasury stock as necessary. In addition, the Company plans to flexibly implement share buybacks as necessary to achieve a total return ratio of 50% in FY2022.

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

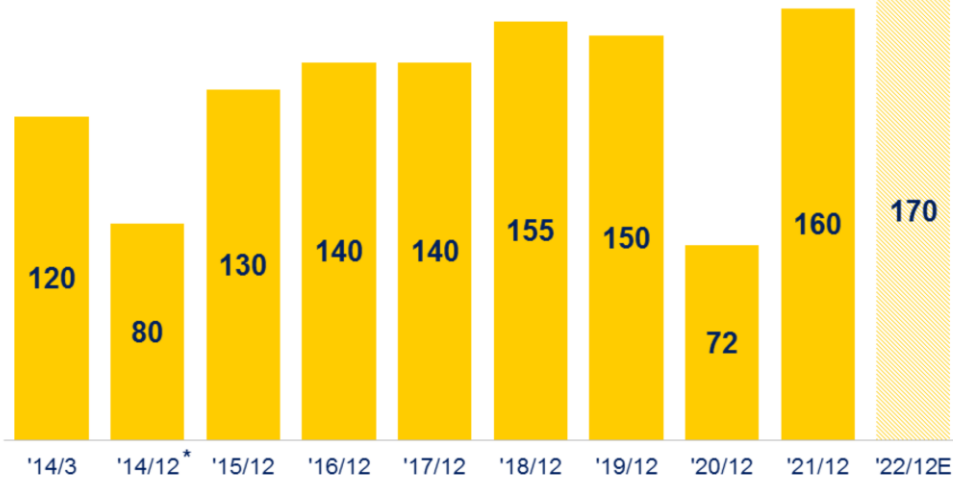
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Please turn to page 17.

Regarding the dividend per share, we plan to increase the annual dividend by JPY2 to JPY38 per share in FY2022 for the 21st consecutive year of dividend increase.

● Share buy-back history (100 million JPY)



* Irregular accounting period of 9 months

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Please turn to page 18. This is the share buy-back history.

In FY2022, the Board of Directors approved a resolution in February to repurchase a maximum of JPY4.2 million shares at a maximum repurchase amount of JPY17 billion, so we hope to be able to flexibly repurchase shares.

We hope you understand that the acquisition price is still JPY0 in April, but there may be times when acquisition is impossible.

We will continue to consider the return of profits to our shareholders as one of our important management policies, by paying stable and continuous dividends together with share buybacks, and will strive to increase our corporate value by generating sustainable cash flow.

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

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After page 19 of the document, we would like to introduce our efforts to realize a Cohesive Society, and we would appreciate it if you could take a look at them when you have time.

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)”

<p>Safeguarding the well-being of individuals</p>	<ul style="list-style-type: none"> • 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
<p>Safeguarding the well-being of society</p>	<ul style="list-style-type: none"> • 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
<p>Safeguarding the well-being of our planet</p>	<ul style="list-style-type: none"> • 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
<p>Unicharm Principles</p>	<ul style="list-style-type: none"> • 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

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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

◆ Support independent excretion with product rollout that suits users' ADL (Activities of Daily Living)

- Those who have light incontinence
- Those who can go out alone
 Those who can walk alone
 Those who can walk with assistance
- Those who can stand / sit
- Those who spend most of their time in bed



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(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

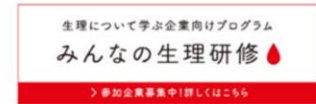


Expand toward 2030



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



Internet Media AWARDS



ACC TOKYO CREATIVITY AWARDS



◆ Promote women empowerment support globally



Women-only factory in consideration of culture



Project to create female entrepreneurs



Online menarche education

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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



- 

Add app. 2 hours of extra absorption!
- 

Flushable!
- 

Compact and Portable!

* The amount of menstrual blood varies between individuals

◆ Pants-shaped pad and heating napkin featuring warm sensation (Devised by China subsidiary)



Midly Warm Strongly Warm

◆ Cool napkin featuring refreshing cooling sensation that reduces stuffy discomfort and deodorant-type napkin containing charcoal (Devised by Thailand subsidiary)



◆ Napkin featuring antibacterial sheet that inhibits 99.9% of bacterial growth and napkin containing olive oil



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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)



Expand
toward 2030



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



Expand toward 2030



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

◆ Subscription service (fixed charge system) for nursery schools can reduce the burden on parents and child care workers, as well as infection risk

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



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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”



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



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Expand toward 2030



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

◆ The first diaper in the world that keeps mosquitoes, which are a dengue virus vector, away from diapers to protect babies from the threat of dengue fever *



* 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)30

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 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

◆ 「“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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◆ Development of environmentally 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



(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)

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



◆ Expand our line of recycle models



2030 Target
More than 10
cases



Number of disposable diaper recycling facilities introduced

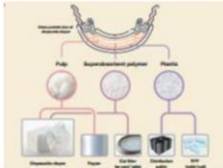
◆ Keep it safe and convenient, toward the future where recycling is the norm

Recycle
all materials

Used disposable diaper
sanitary material
Clean quality

No pollution
to water and air
By ozone bleach and
sterilization

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



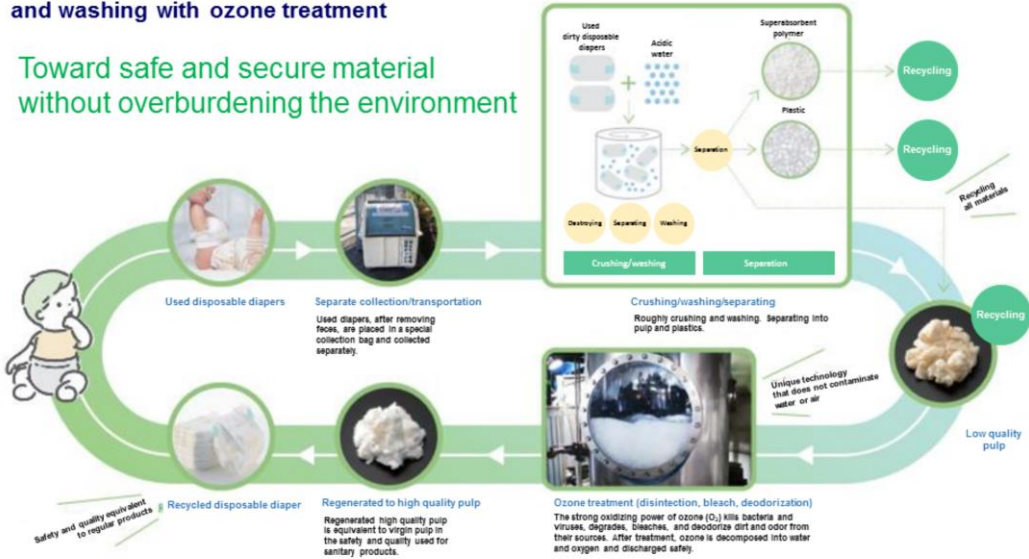
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(Safeguarding the well-being of our planet)
The world's first* "used disposable diaper recycling using the ozone-treatment technology"



◆ 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



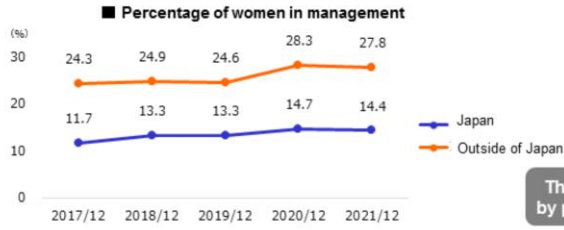
◆ Unicharm Principles

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

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◆ Promotion of diversity management



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

◆ Toward the promotion of women's activity, joined "30% Club Japan" and signed Women's Empowerment Principles



In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

◆ By the establishment of "Room L+", a network of female employees to share and consult their career and life concerns, promote women empowerment

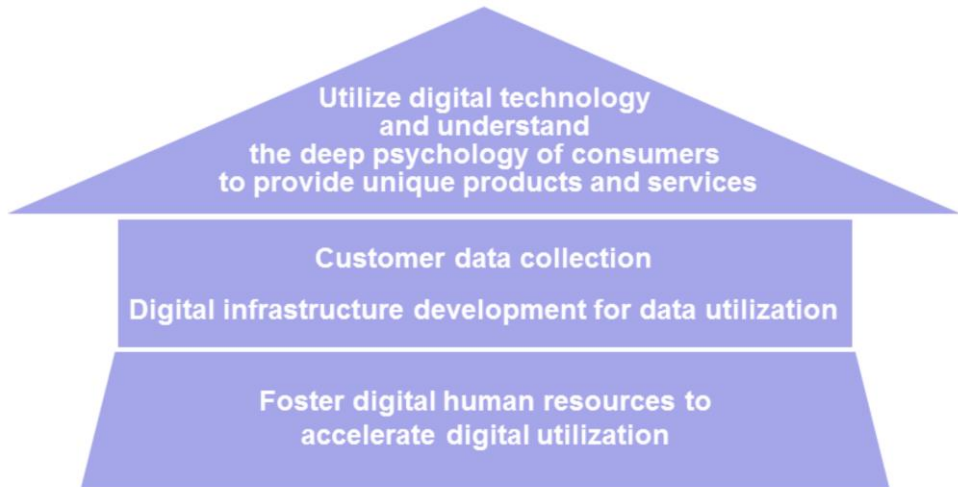


Utilize digital technology and create absolute value for consumers in order to realize sustainable improvement of corporate value and stronger competitiveness



Contribution to **SUSTAINABLE DEVELOPMENT GOALS**

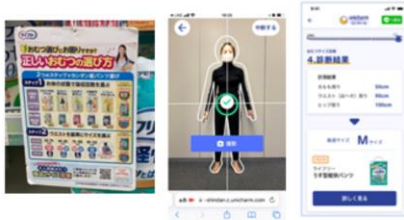
Achieve a “Cohesive Society” (Social Inclusion)



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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Domestic initiatives utilizing digital technology-2



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



with
Catlog



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

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



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

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



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

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



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



Overseas initiatives utilizing digital technology



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



宠本本
悉心记录 相伴一生

Health record



Health consultation



Health checkup



Clinic search



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



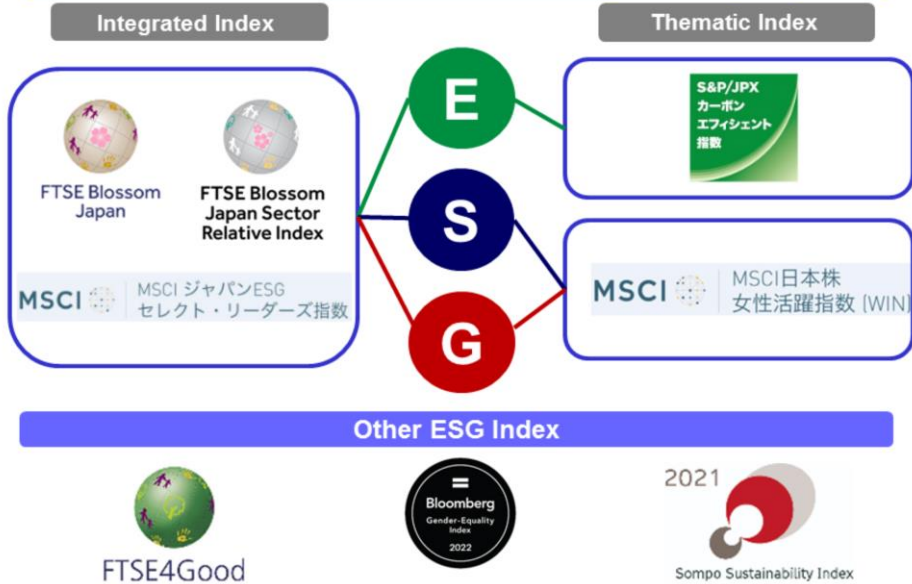
◆ “Mamypoko Club” that realizes a unique customer experience for baby diapers



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Evaluation by external organizations and coordination with them

Selected in 5 ESG investment indices of stock composites adopted by GPIF



Evaluation by external organizations (FY 2022)



◆ Selected as a “DX-certified operator”
(February)



◆ Won 7th “Consumer-Oriented Activity
Award” (February)

◆ Selected as the “CDP 2021
Supplier Engagement Leader”
(February)



◆ Won “Bronze Prize” in
Environment Sustainable
Corporate Segment of the 3rd
ESG Finance Award Japan
(March)



◆ Certified as a “Health and
Productivity Management
Outstanding Organization
(large enterprise category)”
(March)



◆ Selected as the “Most Honored Company”
of “2022 Japan Executive Team Ranking” by
Institutional Investor (April)

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Coordination with external organizations



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